


# Daily Report

# East Europe

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*FBIS-EEU-94-061* *30 March 1994*

CONTENTS

**NOTICE TO READERS:** All material in this volume previously disseminated in electronic form. An Ω indicates a Foreign Media Note.


**ALBANIA**

Serreqi, Bulgaria's Daskalov Comment on Talks *[Tirana TV]* ..... 1
Rights Group Protests Border Incidents *[Tirana TV]* ..... 1

**CZECH REPUBLIC**

Klaus Discusses Coalition Talks, EC Membership *[Prague Radio]* ..... 2
Separate Intelligence Technology Group Proposed *[CESKY DENIK 26 Mar]* ..... 2
Klaus Affirms Criticism of Benda's Work *[LIDOVE NOVINY 25 Mar]* ..... 3
Temelin Releases Power Plant Launch Schedule *[HOSPODARSKE NOVINY 28 Mar]* ..... 3
Air Force, Air Defense Force Changes Explained *[Prague Radio]* ..... 4
Skoda Nuclear Engineering Exports to Ukraine *[HOSPODARSKE NOVINY 28 Mar]* ..... 4

**SLOVAKIA**

Cernak, Kovac on Decision Not To Merge Parties *[SME 26 Mar]* ..... 5
Workers Party Chairman Explains ZRS Policies *[HOSPODARSKE NOVINY 28 Mar]* ..... 5
Defense Minister Discusses Visit to Israel *[NARODNA OBRODA 26 Mar]* ..... 6
Soldiers Fear Army's 'Left-Wing Profile' *[REPUBLIKA 25 Mar]* ..... 7
Schmognerova Views Government's Economic Task *[SMENA 25 Mar]* ..... 7
Half of 1994 Deficit Target Exhausted *[SME 26 Mar]* ..... 8

**HUNGARY**

AVU Chairman Reacts to KDNP Criticism *[MAGYAR NEMZET 29 Mar]* ..... 9
KDNP Leader Defends Proposal *[MAGYAR HIRLAP 29 Mar]* ..... 9
MEP Chairman Defends 'Skinheads' Movement *[PESTI HIRLAP 26-27 Mar]* ..... 9
Christian Democrats' Economic Policy Examined *[MAGYAR HIRLAP 26 Mar]* ..... 10
Industrial Output Expected To Increase in 1994 *[NEPSZABADSAG 29 Mar]* ..... 12

**POLAND**

Pawlak To Apply for EU Membership in Brussels *[AFP]* ..... 13
Daily Views Admission Request *[RZECZPOSPOLITA 30 Mar]* ..... 13
Walesa's Coalition Strategies Over Rosati Case *[RZECZPOSPOLITA 30 Mar]* ..... 13
Plans To Run for Presidency *[Warsaw Radio]* ..... 14
Possible Split in SLD-PSL Coalition Viewed *[RZECZPOSPOLITA 29 Mar]* ..... 14
Solidarity 'Outraged' at Cimoszewicz Statement *[RZECZPOSPOLITA 30 Mar]* ..... 16

**ROMANIA**

Iliescu, Russia's Grachev View Closer Ties *[Bucharest Radio]* ..... 17
SRI Director Holds News Conference *[Bucharest Radio]* ..... 17
Iliescu Pardon Seen as 'Subtle Trap' for Left *[EVENIMENTUL ZILEI 28 Mar]* ..... 17
PNL's Quintus Stresses Need for Unity *[AZI 25 Mar]* ..... 18

## BOSNIA-HERZEGOVINA

Election of New Federation President Postponed *[Zagreb Radio]* ..... 20
Assembly Continues Session, Makes Decisions ..... 20
Accord With Croatia Endorsed *[Sarajevo Radio]* ..... 20
Statement on Negotiation Policy *[Sarajevo Radio]* ..... 20
Amendments Ratified *[Sarajevo Radio]* ..... 20
Ganic Views U.S. Mediation, Prospects for Peace *[OSLOBODJENJE 25 Mar]* ..... 21
Karadzic Meets With Russian Delegation *[TANJUG]* ..... 22
Convention of Serbs in Sarajevo Condemned *[Belgrade Radio]* ..... 22
Islamic Leader Meets With HVO, Muslim Leaders *[Sarajevo Radio]* ..... 23
'Thousands' of Projectiles Land on Gorazde *[Sarajevo Radio]* ..... 23
Serbian-Muslim Trade Along Front Lines *[NIN 4 Mar]* ..... 24

## CROATIA

Croats, Krajina Serbs Sign Cease-Fire Accord *[AFP]* ..... 26
UN Troops To Be Deployed *[Zagreb Radio]* ..... 26
RSK Official Views Agreement *[Belgrade Radio]* ..... 26
RSK Negotiator Comments *[TANJUG]* ..... 27
Further on Agreement *[TANJUG]* ..... 27
Granic Discusses Issues With Redman *[Zagreb Radio]* ..... 27
Tudjman Discusses Policy With U.S. Journalists *[Zagreb Radio]* ..... 27

## YUGOSLAVIA

### Federal

Russian Delegation Proposes Alliance *[TANJUG]* ..... 29
President Lilic Meets With Libyan Envoy *[TANJUG]* ..... 29
Discusses Conditions for Peace *[TANJUG]* ..... 29
TANJUG Examines Redman-Churkin Talks ..... 30

## Serreqi, Bulgaria's Daskalov Comment on Talks

*AU2903193294 Tirana TVSH Television Network in Albanian 1735 GMT 29 Mar 94*

[Text] [Announcer] Albanian Foreign Minister Alfred Serreqi and his Bulgarian counterpart Stanislav Daskalov held a joint news conference today. Here is Sokol Balla:

[Balla] Both the Albanian and Bulgarian foreign ministers held a joint news conference today in a hall in the Palace of Congresses in Tirana. Albanian Minister Serreqi first spoke about the main questions that were the focus of bilateral talks, such as the crisis in former Yugoslavia, the situation in the region, the reciprocal information of both governments on reform, the process of European integration of both post-communist states, etc.

Bulgarian Foreign Minister Stanislav Daskalov stressed that we have once again rebuilt our present vision of relations and how to expand them by first defining their juridical basis so as to open the way to further economic cooperation.

At this conference they stressed that there are presently no outstanding problems between the two countries. Nevertheless, more frequent political contact is expected. Daskalov said that wonderful prospects lie ahead of us.

Asked about whether or not the Balkan countries will intervene in the conflict in the former Yugoslavia if it spreads to the south of the peninsula, the Bulgarian foreign minister gave a negative response; this, according to him and the position maintained by the Bulgarian Government, would complicate the situation. He also answered a question on the presence of Turkish or Greek soldiers in the UN forces in Bosnia-Herzegovina. [not further specified]

Albanian Foreign Minister Serreqi answered the same question by stressing that we should overcome several prejudices related to the presence of Turkish or Russian [as heard] soldiers in Bosnia-Herzegovina. Serreqi said that what is left is the hope that Blue Helmets of every nationality will play a peacekeeping role, always within the UN framework and under its flag.

Asked about the international peacekeeping presence in Kosova, the Bulgarian foreign minister answered that Bulgaria supports all peacekeeping initiatives that attempt to prevent the spread of the conflict to the south. However, Daskalov declared that, as far as an international presence in Kosova is concerned, we should first ask the Serbian party.

The Bulgarian foreign minister did not pronounce himself on the problem of Albanians in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] because, as he presented the argument, this is an internal affair of the Macedonian state. Bulgarian Foreign Minister Daskalov left our country today.

## Rights Group Protests Border Incidents

*AU2903195294 Tirana TVSH Television Network in Albanian 1800 GMT 29 Mar 94*

[Statement by the Albanian Helsinki Committee]

[Text] The 21-year-old Fredi Muca has been added to the number of Albanians killed on the border. During 1993 and 1994 the number of Albanians killed along the border with the Republic of the Former Yugoslavia amounts to 14 and eight have been injured; along the border with The Former Yugoslav Republic of Macedonia [FYROM] one has been killed and three injured; and along the border the Republic of Greece we note the latest case, dated 22 March 1994, which resulted in one person killed.

Albanian official sources report that in the Greek village of Kostinec, 3 km into Greek territory, 21-year-old Fredi Abaz Muca, a resident of Bubullime village in Lushnje, was shot by an automatic rifle pointed at his chest.

The Albanian Helsinki Committee asks the Greek authorities to take the necessary measures to investigate the incident that occurred and eventually convict in a court of law the person who caused the crime, on the basis of Greek laws currently in effect.

The committee simultaneously requests that such cases be stopped and not repeated as they flagrantly violate human rights and create tension in the friendly relations that exist between the Greek and Albanian Republics.

## Klaus Discusses Coalition Talks, EC Membership

*LD2903185794 Prague Radiozurnal Radio Network in Czech 1600 GMT 29 Mar 94*

[Interview with Czech Prime Minister Vaclav Klaus by Lucie Weissova in Prague on 29 March—recorded]

[Excerpts] [Weissova] Prime Minister, representatives of the coalition parties held yet another meeting yesterday because there have been rumors that there are some clashes in the coalition. Jan Kalvoda, for instance, said a few days ago that he was dissatisfied with the method of communication in the coalition. I would like to ask you whether things have cleared up after the meeting and whether you reached a consensus on the disputed issues.

[Klaus] No agreement has been reached because the differences are not caused by lack of communication. This is simply a rumor that is being constantly spread around by someone. The differences exist because of differing views, because of differing approaches to the various issues we are currently facing. Naturally, these differences do not apply to the 95 percent of matters of everyday importance.

The differences lie in several evergreens, so to speak. On the one hand, there are the restitution-related issues, and, on the other, there is the creation of the senate, a new chamber in our parliament. In my view, the need for this chamber is very disputable. The third issue is formed by the contentious problems related to the regional setup, the issues that stir the whole country.

Thus our views do indeed differ, and in no case can they be related to lack of communication.

[Weissova] Let us return to your recent visit to Finland. In your own words, one of the experiences you brought with you from there was that the admission into the European Union does not need to be a cure all, and that, especially at the beginning, it might bring certain disadvantages. Does this mean that you share with the so-called Euroskeptics their worries about the Brussels bureaucracy, which, by the way, is formed mainly by people from governing European Socialist parties?

[Klaus] [passage omitted] This bureaucracy is not a fundamental problem of the European Community. It is, rather, a complementary problem that is above the fundamental problem. In my view, the fundamental question is something else: what the concept of European integration is, to what degree it really means a general opening of various obstacles, movements of people, ideas, goods, money, and various other things all over Europe—which we support wholeheartedly—and to what extent it is an attempt to force upon people a specific ideology, specific unity, specific compulsory common solutions, and thousands of other things. This is not Euroskeptism; this is Eurorealism. This is simply searching for a sensible social setup in Europe. I always say that the important thing is not whether there will be 12 or 16 or 20 countries, but what system of relations between the individual and the state will prevail in this situation.

## Separate Intelligence Technology Group Proposed

*AU3003102794 Prague CESKY DENIK in Czech 26 Mar 94 p 3*

[Commentary by Lubor Kohout: "The Long Ears of Our Secret Service Might Stretch Even Further"]

[Text] The government draft law on the Security Information Service [BIS] that was submitted recently to parliament deputies is based on a single objective: to reinforce the powers of the counterintelligence service.

The most important change is supposed to be that BIS acquires the right to actually build a unit that uses intelligence technology. This means a unit that installs bugging devices of various types, monitors telecommunications, opens and examines correspondence, uses identification technology to control movement, etc. So far, BIS has depended on the Interior Ministry service in the performance of intelligence tasks. The ministry used its own equipment when BIS requested it, just as it did when the police requested it and formerly with the agreement of the prosecutor—today, the judge—and it passed on the results only to BIS. Of course, in this way, the Interior Ministry was well informed about the activities and subjects of interest of the Security Information Service. That apparently is the main reason for the endeavors leading to BIS's having at its disposal its own division of intelligence technology. According to the Interior Ministry Press Department, a transfer of these divisions from the Interior Ministry to BIS so that BIS would provide the services using the intelligence means for the Ministry is out of the question. That way, the situation would turn around, and BIS would be informed about police actions, which, in turn, quite understandably, the Interior Ministry does not want.

So, it is most likely that two divisions with intelligence technology will be formed, one to remain with the Interior Ministry and the other to be formed by BIS. In addition to its being a rather costly affair, even BIS cannot prevent the participation of the Interior Ministry staffers in telephone wiretapping, for instance—namely, the Interior Ministry controls the so-called seventh chambers, which have been built in the telephone exchanges. The wiretapping usually takes place in these rooms. Hence, BIS will be independent only in the use of some other intelligence tools. It must be observed here that, in comparison with telephone wiretapping, the other intelligence operations are used less frequently. Moreover, despite the possible technical perfection, their application is more demanding on the professional qualities of the secret service agents.

Is there another solution that would not be so costly and yet remain effective? There is one, although it may seem rather utopian and organizationally and legislatively demanding: to separate the divisions with intelligence

technology from the Interior Ministry and not form them at BIS. The existing divisions would be transferred as a special section to the Supreme Court, the judges of which are currently deciding on the employment of the intelligence technology, or, possibly, to the State Attorney's Office. This unit would then, upon the approval of the employment by the judge, conduct its own service, including the use of the intelligence tools for both the police and BIS. In addition to the obvious financial saving, another thing would be achieved: a substantial reduction in the possibility of an eventual illegal application of the intelligence technology by the secret service and the police.

## Klaus Affirms Criticism of Benda's Work

*AU2903172094 Prague LIDOVE NOVINY in Czech 25 Mar 94 pp 1, 3*

[Interview with Prime Minister Vaclav Klaus by Viktor Krejci; place and date not given: "Unsatisfactory Environment Ministry; Prime Minister Vaclav Klaus Replies to LIDOVE NOVINY Questions"]

[Text] [Krejci] What did the Civic Democratic Party [ODS] Executive Committee have in mind when it criticized the activity of Environment Minister Benda—improving his work or recalling him?

[Klaus] There is no simple reply to this question. The Environment Ministry's work is not satisfactory. However, it is necessary to carefully consider whether this is due to the complexity of the problems with which the ministry is dealing or a consequence of the minister's own work, whether it is due to the ministry's being too big and heavy-handed or whether some other factors might be at play. I do not ascribe primary importance to differences of views or to the exceptional complexity of environmental problems. I think, rather, that the reasons this ministry's activity has been very unsatisfactory for almost two years [since Frantisek Benda became minister] are of a subjective nature and do not rest with the minister alone.

[Krejci] The annual rate of inflation fell below 10 percent for the first time in February. Is this a permanent trend?

[Klaus] The rate of inflation is now nearing the level we consider probable over the long term. When we say that the last figure for the annual rate of inflation is 9.7 percent, it does not mean that I can pledge that, in the months to come, it will be 9.4 or 10.1 percent. Anyway, in this area we are moving in regions that are a world apart from the other postcommunist countries, and I think we are beginning to approach the Western level. Nevertheless, the rate of inflation is still at least double the European Union average, and getting near this average is still a question of a few more years. The adjustment of individual prices to their balanced level over the long term is still under way, and this process is pushing prices up rather than down.

[Krejci] Czech Social Democratic Party [CSSD] Chairman Milos Zeman has supposedly contacted some politicians in Slovakia and proposed the creation of a Czechoslovak Union. What do you think about that?

[Klaus] Milos Zeman, the CSSD chairman, is incorrigible in many ways, including, it seems, in this matter. Every sensible person in our country and in Slovakia knows that this issue is absolutely not on the agenda and that this is a mere shooting of arrows somewhere where there is no target and no spectators.

## Temelin Releases Power Plant Launch Schedule

*AU3003115894 Prague HOSPODARSKE NOVINY in Czech 28 Mar 94 pp 1-2*

[Article by Zdenek Zuntych: "The Active Launching of the JETE First Unit Was Postponed Until September 1996"]

[Text] Temelin—According to the current time schedule, the fuel charge at the first unit of the Temelin nuclear power plant (JETE) should take place in September 1996. It is a new date, published for the first time, of the active launching of the largest Czech nuclear power plant. After the decision was made about the final stage of completing two JETE units, the fuel charge was considered for the end of 1995.

According to JETE press spokesman Josef Vita, the new date stems, above all, from the substantial, very time-consuming changes that are now being implemented at the construction on the recommendation of the International Atomic Energy Agency and expert analyses and the subsequent audit by the U.S. firm NUS Haliburton. Examples of this are the system of automatic control of the technological processes, the change of the nuclear fuel and related safety analyses, the new radiation-monitoring system, the completely new diagnostic systems, etc.

The first 1,000-MW unit is now 96-percent completed regarding the actual construction, and 55-percent from the technical angle. The second 1,000-MW unit, which is expected to be put into operation approximately 18 months after the first, is now 80-percent completed regarding the construction, and 30-percent technically. The total cost of the construction remains at the level of 68.8 billion korunas.

After all of these changes, the power plant is supposed to fully satisfy all West European operational and safety standards. At the same time, the JETE management would welcome it if the parliament finally adopted the so-called atomic law and related legislation.

"It is better for us if we know under what conditions we operate than if we are to respond post factum to new legislative decisions," Vita says. The changes at JETE are supposed to be settled legislatively this year in accordance with the construction law, and all of the subcontractor transactional relations are to be settled as well.

The $317-million credit approved by the U.S. EXIM-BANK has not yet been used. Nothing will be done before the signing of the credit contract that is to specify the conditions for drawing the funds, including the terms for repayment. "It is in our interest that it be done as soon as possible," Vita concluded.

## Air Force, Air Defense Force Changes Explained

*LD2903134694 Prague Radiozurnal Radio Network in Czech 1000 GMT 29 Mar 94*

[Text] Jan Rejsek reports on the regular news briefing given at the Defense Ministry:

[Rejsek] The transformation of the Air Force and Air Defense Forces were the topics discussed today. Major General Pavel Strubl, Air Force and Air Defense inspector, said that success had been attained in fulfilling the basic objectives. A three-tier system of command has been set up in the Air Force and Air Defense Forces. Thus, there is the Air Force and Air Defense headquarters, which is a body of the chief of General Staff. There is also the 3d Tactical Air Force Corps and the 4th Air Defense Corps, which are the operational levels [operacni stupne], and, last, there are the Air Force and Air Defense units, which are tactical factors [takticke prvky].

This year will be the most complex period for these two bodies. Just for illustration: The numbers of aviation equipment in use will be radically reduced. Seventy-seven combat aircraft, 11 combat helicopters, 20 training aircraft, and other equipment will be discarded. Compared to the present, this amounts on the whole to a 30.6-percent reduction. There will also be similar changes in the Air Defense Forces.

Newsmen learned from the information service that 11 inspections verifying the organizational structure and 81 inspections checking the elimination of superfluous equipment took place on our territory from 1 January 1993 until 1 March [no year as heard]. What is pleasing is that the inspections confirmed the responsible attitude of the Czech Republic to the fulfillment of (?an agreement) in all spheres.

## Skoda Nuclear Engineering Exports to Ukraine

*AU2903140994 Prague HOSPODARSKE NOVINY in Czech 28 Mar 94 p 6*

[Article by Vaclav Proks: "Ukrainian Power Plants Need Skoda Nuclear Engineering Products"]

[Text] The representatives of the Skoda Jaderne strojirenstvi (Skoda Nuclear Engineering) company recently signed a contract to deliver to Ukraine the first major shipment worth more than 60 million korunas. The draft contract also deals with the security of the payment. The product concerned is compact containers for spent fuel pools at the Rivne nuclear power plant. According to the company director, Vaclav Lobovsky, Ukraine has expressed an interest in purchasing $150 million worth of nuclear equipment from Skoda Jaderne strojirenstvi over the next five to eight years. Cooperation is subject to the complex solution to the problem of payments. According to Lobovsky, there is the possibility of barter, the trade for Ukrainian electricity or perhaps some other goods.

"Ukraine is trying to reduce its undesirable dependence on Russian monopoly suppliers, whose products allegedly are not of as high quality as ours. Cost advantages are losing attractiveness," Lobovsky claims.

Ukraine has the largest number of AVER 1000 [Water-Moderated Water-Cooled Power Reactor] reactors (10 in operation and four under construction). Only nuclear power plants are economically capable of producing electric power in Ukraine. Skoda Jaderne strojirenstvi introduced itself already in November by successfully completing a one-year test run at the Ukrainian power plant of its own modernized inching drive [krokovy pohon] for the reactor, in which even the Russians expressed interest.

Ukraine is now beginning to replace its outdated control and security systems. Ukrainian nuclear power plants are therefore most interested in Skoda's inching drives, including electronics, compact grids [kompaktni mrize], hermetic cable bushing, and maintenance inspections, which Skoda allegedly offers at a price 10 times lower than Siemens, for instance. Ukraine is also deciding now from whom to purchase spent fuel containers. Skoda Jaderne strojirenstvi is not without chances. So far, it has been producing them under a German license, but, as early as in September, it will introduce its own container prototype, which could become, according to Lobovsky, the most promising product of Skoda Plzen.

## Cernak, Kovac on Decision Not To Merge Parties

*AU3003103394 Bratislava SME in Slovak 26 Mar 94 pp 1-2*

[Interview with Ludovit Cernak, a member of the Preparatory Committee of the National Democratic Party, and Roman Kovac, a member of the Preparatory Committee of the Alternative of Political Realism, by Jana Pankovcinova and Alica Strbava; place and date not given: "Why Have Cernak's, Knazko's, and Moravcik's Parties Not Unified?"]

[Text] The first assembly of the National Democratic Party (NDS) will be held in Zvolen today. According to reports from one month ago, this should have been the merger congress of the NDS, the Alliance of Democrats of the Slovak Republic [AD SR], and the supporters of Roman Kovac and Jozef Moravcik.

[SME] Why will the centrist parties not merge on Saturday [26 March]?

[Cernak] Following all of the talks that have been held, there is unanimous will to proceed jointly. However, we realize our responsibility before voters not to create an incoherent conglomerate, as was the case with the Public Against Violence movement or the Movement for a Democratic Slovakia, which later fell apart. There is only one remaining difference among us. Colleagues Knazko, Kovac, and Moravcik identify more with liberal ideas and the Liberal International, while we find sympathetic a conservative orientation and the European Democratic Union. We have therefore decided to establish two entities—a liberal one and one with a conservative orientation. Otherwise, we have almost identical programs, and it is highly probable that, before the elections, we will set up a centrist coalition bloc. Meanwhile, the AD SR will merge with Moravcik's followers. We will proceed further according to the political circumstances, but for sure jointly.

[Kovac] Mainly because the Alternative of Political Realism is not technically prepared for such a step yet. In view of the fact that Cernak's group has been preparing its assembly for a long time, we have agreed that its assembly should go ahead. We must still complete the technical preparations. The question of further cooperation will be assessed by us in mid-April.

[SME] Will you discuss a merger or merely a joint ticket for the elections?

[Kovac] I do not rule out either possibility.

[SME] In other words, you deny the information from behind the scenes, according to which the reason for the failure of the centrist parties to merge is the problem of who would be the party's chairman? Besides, not all of the centrist parties have established structures in the countryside. The NDS is the sole exception, and it would thus probably have the largest number of elected delegates at the merger congress....

[Cernak] What you say has its logic. Apart from the differences in the orientation of our programs, which I have already mentioned, there is among us yet another difference of opinion: how to build the party. The AD SR has already declared that it would be a selective party and Messrs. Moravcik and Kovac, too, would not want to build their structures any further than the district level. We, on the other hand, are trying to win "our man" in every small village. It should be a person who commands authority at the local level and who could explain the party's program and objectives. We had differences on this point, and the problem regarding the number of delegates would apparently also result from this. However, for me, this is not a substantial issue. If we want to successfully defy Meciar's populism and his visits to every little village, we must do the same and rebut his assertions by making our arguments heard in the same village.

[SME] Who else, besides you, is running for NDS chairman?

[Cernak] I am not the only person running. There will be at least two or three candidates. The list of candidates will be put forward today. I do not want to anticipate events.

## Workers Party Chairman Explains ZRS Policies

*AU3003115994 Prague HOSPODARSKE NOVINY in Czech 28 Mar 94 p 4*

[Interview with Jan Luptak, chairman of the Association of Workers of Slovakia, by Oldrich Zabojnik; place and date not given: "New Workers Party Is Taking Shape"]

[Text] Representatives of some parties devote increasing attention to the founding of a new political entity—the Association of Workers of Slovakia [Zdruzenie robotnikov Slovenska, ZRS]. ZRS Chairman Jan Luptak, deputy to the National Council of the Slovak Republic for the Party of the Democratic Left [SDL], granted an interview to the Bratislava correspondent of HOSPODARSKE NOVINY.

[Zabojnik] With what feelings did you, as the only worker in the Slovak parliament, receive the contemptuous reaction of deputies when you recently spoke about the difficult social situation of people who live by the work of their own hands?

[Luptak] I was not surprised because it was not the first such reaction. I have been to 245 factories and know exactly what people in production take an interest in and what their problems and worries are. It is their language I speak in parliament.

[Zabojnik] How do these people respond to the declining living standards and growing social tension?

[Luptak] Their stands are very harsh, and I cannot even interpret them here. Workers at Hnust said to me, for example: Remind Meciar of the promises he made when

he was here and how it all ended. We are now 600, out of an original work force of 2,600, and we are all worried about our jobs. The previous management had salaries of 18,000 [currency not specified], and their successors made themselves a gift of 22,000 and bought themselves another posh limousine, in a situation in which the factory has no money to pay wages. I think, therefore, that transformation can hardly be made only on the backs of the people below. This situation cannot last forever, in our country or anywhere else. The Czech trade unions have also already made that clear.

[Zabojnik] In the last public opinion survey in Slovakia, your ZRS remained only 0.2 percent below the 5-percent threshold necessary to get into parliament. Are you planning to go into the elections on your own or as some kind of SDL reserves?

[Luptak] We are not reserves of the SDL; we are an independent party. Workers must have a clear position in the left-wing spectrum. They must exist as an organized opposition. Of course, our aim is not a government of workers or some kind of a dusted-down version of Bolshevism.

[Zabojnik] How many members does the ZRS muster, and from where does it get funds?

[Luptak] After achieving a membership of 13,000, we have stopped providing any more figures. Inasmuch as we are about to go into the elections, we naturally do not want to abet other parties in any way. Our funds come from collections organized by workers in Martin, Ziar, and elsewhere among themselves. In the ZRS headquarters in Banska Bystrica, we are also preparing the publication of our own newspaper.

[Zabojnik] On what will your program be built?

[Luptak] On the fact that there exists no wealth greater than people's work and skills. The situation must not be tolerated, for example, of a society as poor as ours affording the luxury of 360,000 unemployed who collect money produced by the belt-tightening of others. It is necessary to separate those who really do not have a chance [of finding a job] at the moment from those who do not want to work and do not deserve more than some 300-400 korunas in social support. Where shall we end up with masses of people receiving 2,000-2,200 korunas without moving a finger!?

[Zabojnik] What causes would your parliamentary deputies pursue?

[Luptak] They would see to it that no laws are passed that are directed against the interests of workers and the working intelligentsia. Not only is the Labor Code directed against workers, but also privatization as a whole, in the course of which millions of people have been deprived of values they themselves created. It is scandalous when rogues, cheats, and criminal elements live at our expense. Workers have been deceived many times since November [1989], and they have come to understand that they must have their own party if they do not want to become extinct as a social group.

## Defense Minister Discusses Visit to Israel

*AU3003103594 Bratislava NARODNA OBRODA in Slovak 26 Mar 94 p 2*

[Interview with Defense Minister Pavol Kanis by Julius Gembicky in Bratislava on 25 March: "We Have Opened Doors to Cooperation"]

[Text] Bratislava—Pavol Kanis, minister of defense of the Slovak Republic, returned last night from a three-day visit to Israel.

[Gembicky] Minister Kanis, did any specific opportunities for the development of bilateral relations between the Slovak Army and the Israeli Army arise from your talks?

[Kanis] I exchanged information with Prime Minister and Defense Minister Yitzhaq Rabin about the international political position of our countries, the nature of our military doctrines, and our present security policies. We familiarized ourselves with the structures of the Israeli security system and the potential of their arms industry and exchanged views on the possibilities of cooperation. Minister of Foreign Affairs Shim'on Peres briefed us about Israeli-Palestinian talks and Israel's relations with Syria. The visit, which followed up on the January visit to Israel by Jozef Moravcik, then chief of our diplomacy, has enabled closer contacts between our ministries of defense. Given the fact that Jozef Moravcik is now prime minister, one can speak about a certain continuity.

[Gembicky] The Israeli defense system and the Israeli defense industry are among the best in the world. Your entourage included experts from the military industry. In what areas can we effectively cooperate with the Israeli military and strategic branches?

[Kanis] We apply two criteria in building the Army of the Slovak Republic: cost-efficiency, which must be commensurate with our economic potential, and our Army's adequate military and strategic effectiveness, which must correspond to the principles of defense sufficiency and the need for rational deterrence. While visiting several arms firms, our military experts had an opportunity to assess the standard of the production of arms and arms systems in Israel. We exchanged ideas and offers regarding cooperation and possible trade and will decide on further steps in coordination with military experts and entrepreneurs. The possibility of cooperation in and the purchase of the technology of electronic systems for the Air Force looks promising.

[Gembicky] Minister Kanis, were the possibilities of exporting Slovak weapons to Israel discussed as well?

[Kanis] Even this possibility is opening up in specific offers [sentence as published].

[Gembicky] How would you assess the results of your three-day visit?

[Kanis] I was honored to be able to bestow Milan Rastislav Stefanik medals, first grade, upon several Israeli citizens of Slovak origin for their participation in antifascist resistance and in the Slovak National Uprising. I communicated to leading Israeli politicians an invitation to the 50th anniversary of the Slovak National Uprising, to which our president has also invited U.S. President Bill Clinton.

[Gembicky] The Hebron massacre has led to the suspension by the Palestine Liberation Organization [PLO] of Israeli-Palestinian talks on the creation of Palestinian autonomy in Gaza and Jericho. How did your partners assess the chances of a speedy resumption of these talks?

[Kanis] Minister Shim'on Peres told me yesterday morning that it would take a month or a month and a half before the treaty with the PLO is signed.

## Soldiers Fear Army's 'Left-Wing Profile'

*AU2903194994 Bratislava REPUBLIKA in Slovak 25 Mar 94 p 3*

[Article by "rb": "The Army's Wretchedness and Glory; Association of Slovak Soldiers With the Left at the Ministry of Defense"]

[Text] Bratislava—The appointment of a civilian as minister of defense means the realization by the Ministry of Defense of the Slovak Republic of the management model advocated by the Association of Slovak Soldiers [ASV] since its founding, ASV Chairman Lieutenant Colonel Milan Stegena said yesterday. Although this appointment ensures civilian control over the Army, this control remains insufficient, according to the ASV. It therefore proposes the adoption of a law on the control of the Army by the National Council of the Slovak Republic. The ASV regards as equally important the establishment of a defense committee in the parliament.

In view of the political affiliation of Defense Minister Pavol Kanis, the ASV chairman expressed fear of a possible perpetuation of the left-wing profile of the Army of the Slovak Republic. "Left-wing forces are forming groups [grupuju sa] at the Ministry of Defense. I would cite the example of Professor Bartak," he said. Referring to the unsatisfactory model of management relations within the department of the Ministry of Defense of the Slovak Republic, he said that the military-political and executive components of the Army have not been consistently separated to this day. There are frequent clashes of power between the Ministry of Defense [in Bratislava] and the Command of the Army of the Slovak Republic [in Trencin]. The ASV does not want to subject the new leadership of the Ministry of Defense of the Slovak Republic to criticism during its first 100 days in office. This period will show whether visible positive changes will occur within the department.

## Schmognerova Views Government's Economic Task

*AU3003084794 Bratislava SMENA in Slovak 25 Mar 94 pp 1, 6*

[Interview with Deputy Prime Minister Brigita Schmognerova by Alena Melicharkova in Vienna on 24 March: "The IMF Is Open to Discussion"]

[Text] Deputy Prime Minister Brigita Schmognerova returned from the United States yesterday to assume her office. When we addressed her at Schwechat airport, she was willing to answer our questions.

[Melicharkova] Where were you when you learned that you had been appointed as the government member responsible for economic policy?

[Schmognerova] I did not expect that the no-confidence vote in the former prime minister, on the basis of which the former government resigned, would have an impact on my personal life. At that time, my colleagues and I were on a trip in the United States. During this trip, I visited several institutions. I learned about the fact in Los Angeles. Immediately after my return to the center, I phoned my husband, and he told me about the proposal by the people who were forming the government. Of course, I wanted to make my situation clear. I spoke with Peter Weiss, chairman of the National Council of the Slovak Republic, and with Prime Minister Moravcik. On the basis of the conversation with them, I accepted the proposal.

[Melicharkova] What was the purpose of your visit to the United States?

[Schmognerova] My trip was expected to take six months. It was a working visit organized for future professional politicians. This program has been running for three years. It is financed by the Pewtery Double Trust company. The Pew Freedom Economic Fellow program has three parts—the academic one, visits to various institutions and organizations, and the practical one, which is carried out in some government organization or international financial institutions, or in private institutions, as the case may be.

[Melicharkova] As deputy prime minister, you have participated in debates in the IMF, in several international financial institutions, and with U.S. Treasury Department representatives. Could you tell us what are the IMF conditions for approval of the so-called standby credit to the Slovak Republic? There were rumors that the former government had prepared a supplement to the already approved IMF memorandum on the economic policy of the Slovak Republic Government. What is going on in this sphere? What are the new IMF conditions?

[Schmognerova] The memorandum on economic policy was drafted last year. It is a program outlining the Slovak Republic's 1994 economic policy. After the IMF visit in January and February of this year, the IMF decided, on

the basis of the results of the 1993 budgetary and monetary policy, to complete the memorandum with additional conditions in the sphere of financial and monetary policy. As far as I know, in the sphere of monetary policy, the National Bank of Slovakia has already accepted these conditions. The former government did not succeed in drafting on time a supplement to the memorandum on the financial policy. One of my intentions was to find out to what extent the IMF would insist that we exactly meet the demands that were formulated in that supplement. Certain parts of the talks regarding this matter were really complicated. We succeeded in achieving one thing. The IMF will be open to discussion with the new government of the Slovak Republic. It is important for us to achieve the goals of the 1994 economic policy. They will also be open to our suggestions regarding the way we would like to attain these goals. I believe this is an important step.

[Melicharkova] Do you have any idea to what extent the economic policy of the current government will build on the economic policy of the former government, and to what extent this policy will change?

[Schmognerova] We will continue working on the basic tasks that have been set out in the program of economic policy. During the talks in the United States, I tried to explain that our government was determined to achieve these goals. Our efforts will be aimed at searching for measures that will allow us to meet our objectives. We will certainly have quite important differences here, compared with the former government.

[Melicharkova] It seems that the 1993 state budget deficit is much higher than estimated two months ago. Without the deficit in the health care and the education system, it amounts to some 30 billion korunas. Do you know how to sort out the deficit-related problem and its impact on the economic policy? Many people are afraid that it would affect, once again, the poorest people....

[Schmognerova] We have to look at the reason our deficit increased so much in the last months of 1993. Basically, there are three reasons. First, our deficit was mostly affected by the payment of our debt to the Czech side outside the clearing system. Second, certain National Property Fund claims in the banking sphere had to be paid. Third, there were higher expenditures from the stage budget. In certain spheres, spending substantially exceeded the projected figures. Each of these spheres requires a specific attitude and a specific solution. In every case, we will have to make efforts to prevent such a situation from arising in the course of the year or at the end of 1994.

## Half of 1994 Deficit Target Exhausted

*AU2903194894 Bratislava SME in Slovak 26 Mar 94 p 2*

[Interview with Finance Minister Rudolf Filkus by "is" in the "Only Question" column; place and date not given: "Budget Deficit for First Three Months Stands at 7.5 Billion"]

[Text] [SME] Late last year, the National Council of the Slovak Republic approved a law on the 1994 state budget, which foresees a budget deficit of 14 billion Slovak korunas [Sk]. What is the size of the deficit today?

[Filkus] As of today, the deficit stands at Sk7.5 billion. This demonstrates that the assumption of a deficit at the level of Sk14 billion by the end of the year, which was viewed [by the previous government] as a realistic macroeconomic indicator, was not a realistic macroeconomic assumption.

## AVU Chairman Reacts to KDNP Criticism

*AU3003091494 Budapest MAGYAR NEMZET in Hungarian 29 Mar 94 pp 1, 9*

[Osvath report: "Tibor Pongracz: It Would Be a Mistake To Stop Privatizations"]

[Text] It is not customary for the coalition parties to send messages to each other through the newspapers, Titular State Secretary Tibor Pongracz, chairman of the State Property Agency's [AVU] board of directors, told MAGYAR NEMZET in reaction to the statement of the Christian Democratic People's Party [KDNP] executive committee. According to this, privatizations should be suspended from 7 April until the new parliament is formed, the reason being, among other things, that the chances of supervision are further reduced during the election period.

For such a measure to be taken, or at least to deal with this proposal, talks should be started as a minimum, but Pongracz is not aware of any such talks at the moment. In his view, suspending privatizations would be a catastrophic mistake because, on one hand, this would completely frighten away foreign capital—and it would hardly be possible to lure it back again—and, on the other, it would also create immeasurable domestic political confusion and dissatisfaction.

It must not be forgotten, either, that even in the case of the left wing's advancement—which is feared by many—it would not be sensible to halt privatizations because both the Liberals and the Socialists are in favor of privatization, even if they have different views on the ways of implementing it. All the parties have returned to the notion of social market economy and they are emphasizing the small differences. Privatization is a good battle ground for them and the attacks can be concentrated on this area. However, it is strange, and politically unethical before the elections for a coalition partner to give the impressions that it has not actually been part of this at all, Pongracz stated.

## KDNP Leader Defends Proposal

*AU3003091394 Budapest MAGYAR HIRLAP in Hungarian 29 Mar 94 p 5*

[Interview with Bela Csepe, parliamentary group leader of the Christian Democratic People's Party, KDNP, by Janos A. Szilagyi; place and date not given: "The KDNP's Suggestion Is Not a Campaign Trick"]

[Text] Janos Szabo Hatvani, director of the State Property Agency [AVU], also participated in the 28 March session of the Christian Democratic People's Party [KDNP]. At the meeting the KDNP's concerns about privatization were discussed, and the party's latest suggestion that no privatization contracts should be made until the new parliament takes office was also mentioned.

[Szilagyi] The KDNP's latest suggestion regarding the change of ownership met with indignation in economic and financial circles. Why did the executive committee deem it necessary to suspend privatization?

[Csepe] The executive committee was aware of the fact that, being a party with a small parliamentary representation, the KDNP cannot have the necessary amount of say in the decisions and privatization deals would not be stopped after its call. The main reason for our initiative is that the Christian Democratic concerns should not be forgotten about before the elections and later, when the new government is set up. It is to be feared that during the weeks when the public is busy dealing with the elections, and when it is no longer possible to draw attention to the irregularities through raising questions in Parliament, further bad and irreparable decisions can be made.

[Szilagyi] According to the AVU director, the executive committee made a hasty statement that serves campaign purposes.

[Csepe] I refuse this most firmly. We have not now begun to deal with this issue to win over the voters. The KDNP's current proposal is a reformulation of our former criticism.

[Szilagyi] Have you prepared any analyses about what effects your initiative can have on the fate of enterprises awaiting privatization that are on the brink of bankruptcy, and how the proposal will affect Hungary's foreign image?

[Csepe] The executive committee's statement was based on the KDNP's former privatization investigations and analytical assessments. My personal view is that it is useful to implement this proposal, with the provision that it should not be applied in those cases where the suspension would be damaging from a financial or economic point of view.

[Szilagyi] According to our information, many KDNP members also had a negative view on this proposal. Many of them consider it damaging and unfavorable for the party's image. Did you coordinate this proposal with the party's other leading bodies and its parliamentary group?

[Csepe] We did not widely discuss the proposal, this was a decision of the executive committee in its own sphere of authority. I do not think that it will become a source of tension in the party.

## MEP Chairman Defends 'Skinheads' Movement

*AU2803190594 Budapest PESTI HIRLAP in Hungarian 26-27 Mar 94 p 5*

[Interview with Izabella B. Kiraly, parliamentary deputy and chairman of the Hungarian Interest Party, by Laszlo Danyi; place and date not given: "The Hungarian Democratic Forum Is A Big Wooden Trojan Horse"]

[Text] Parliamentary Deputy Izabella B. Kiraly is the chairwoman of the Hungarian Interest Party [MEP], founded on 7 September 1993. Her young party—which characterizes itself as a national, conservative, Christian, democratic, and pragmatic party—differs from Istvan Csurka's Hungarian Justice and Life Party [MIEP] not only through the one letter in their acronym but also because, unlike the MIEP, the MEP does not think in terms of restoring St. Stephen's Hungary, but it regards the beginning of a Hungarian presence of a much older time. The MEP does not relate to the Jews' identity problems, and it supports the just efforts of the international Gypsy king to create, like the Jews, their own homeland, Romanistan, in the Danube Delta.

[Danyi] When did you leave the Hungarian Democratic Forum [MDF]?

[Kiraly] I do not remember exactly.

[Danyi] When did you first feel that that was the end regarding the MDF?

[Kiraly] I already suspected for a considerable time that the MDF was a big wooden Trojan horse, in other words, it no longer spoke about the things that it used to at the beginning, and it was not carrying out its promises. The great protest of the government forces came in the wake of the Trianon Meeting held on 4 June 1993 and my parliamentary speech on the Hungarian-Ukrainian basic treaty, in which I urged a peaceful reunification of the Carpathian Basin. Then I fell victim to ethnic cleansing. I also know that these events can be traced back to the demonstration held in Kossuth Square on 23 October 1992, in which President Arpad Goncz was not allowed to deliver his speech, a demonstration at which I was not present because I was delivering a speech at Corvinter.

[Danyi] How did you get into contact with the young people called fascists in the "Evening Balance" program on Hungarian Television?

[Kiraly] These youngsters came to me around 26 October 1992 to protest against this label.

[Danyi] You are slowly turning into the Hungarian skinheads' defending matron? Do you accept this role with pride?

[Kiraly] The situation is not as complex as it looks. This labelling is aimed at discrediting us politically. When the civilized West was burning witches, our King Kalman Konyves said the following: "There are no witches!" Now I say the same: There are no skinheads.

[Danyi] But there are skinheads.

[Kiraly] There were women in Kalman Konyves's time who claimed to be witches. Do you understand? They could not be witches; at most, they were healing soothsayers. In my opinion, there are unsolved problems. For example, the degenerate actions in Rostock drew my attention to the fact that, for years, the Social Democratic Party of Germany [SPD] had failed to recognize that its liberal immigration policy had not been serving the interests of the German people. They actually provoked the youngsters' brutal acts. I generally regard the skinheads' movement as some kind of self- justice to counterbalance an administration of justice that does not work adequately. The approach that there can only government justice and right is unacceptable.

[Danyi] In your opinion, how many skinheads are there in Hungary today?

[Kiraly] Look, we can speak about such a movement, but we should also examine whom we can call skinheads. If a shaven head is the basic criterion, then Matyas Rakosi, Gyorgy Gado, and Janos Kis can also be listed as skinheads. One should not start from the outside appearance, because there are youngsters who have bald heads and leather jackets with boots merely because of fashion. Instead, one should argue with their ideas. Does anyone know what these people think about refugees and immigration? The way I see it, with their appearance, these youngsters protest against the old regime. They are justified in wondering why the red star is still there on top of Szabadsag Square in Budapest.

[Danyi] Let me repeat my question: What is the approximate number of Hungarian skinheads?

[Kiraly] I know of many organizations, but they can no longer be regarded as independent. I think that there are a lot of youngsters with national feelings in this country both in the Independent Smallholders' Party [FKGP] and the MIEP, but there are relatively few of them in an organized framework. At the same time, it is a fact that, out of the 19 founders of the MEP, there were six bald youngsters. It is outrageous how little the police know about these people; the police simply have no real information about them. I do not know how their undercover people work. This is why I was surprised at the exaggerated police supervision of the festivities on 15 March.

[Danyi] What about the more than 100 skinheads arrested in Szeged on the eve of our national day?

[Kiraly] I can imagine that, because the buses carrying people from Miskolc and Eger to the meeting in Budapest on 15 March were halted and the passengers were checked and frisked for almost two hours. There is no need for such preventative measures in a democracy.

[Danyi] Among others, you have also been invited to Moscow by Zhirinovskiy. Have you accepted the invitation?

[Kiraly] Yes.

## Christian Democrats' Economic Policy Examined

*AU3003083294 Budapest MAGYAR HIRLAP in Hungarian 26 Mar 94 p 1*

[Interview with Janos Latorcai, industry and trade minister and a member of the Christian Democratic People's

Party, by Dezso Pinter; place and date not given: "I Made the Necessary Step at the Right Time"]

[Excerpts] [passage omitted] [Pinter] According to a leading official of the European Union, it is difficult to imagine Hungary's membership and development without a strong middle class. What are your views on the chances of this fledgling stratum of society?

[Latorcai] Well-functioning democracies and economies base themselves on the bourgeoisie, and the middle class is an essential part of this. Our conditions are still confused, we cannot yet talk about an organized market economy, and the middle classes are still missing. However, we can already see how and where they will be established. One way of establishing them is through the economic policy creating more opportunity for domestic entrepreneurs. [passage omitted]

[Pinter] A strong middle class cannot exist without a proprietor group that is becoming richer and more efficient. In your view, does a group like this exist in Hungary?

[Latorcai] Yes, it does. To make it bigger, loans have been and still are needed because the personal savings have proved to be too small. In spite of all this, partly as a result of the role of foreign capital, some 35 percent of Hungarian industry is in private ownership and, in 1993, this 35 percent produced 50 percent of the output. This is important and encouraging data when it comes to formulating the ideas of the Christian Democratic People's Party [KDNP] aimed at economic growth.

[Pinter] What is the essence of these ideas?

[Latorcai] First of all, the stimulation of enterprises. We would particularly like to continue and to expand the support for small- and medium-size enterprises. One method of this would be a new regulation of tax and credit policy and the expansion of help for new enterprises. [passage omitted]

[Pinter] In this program, which components criticize the current economic policy?

[Latorcai] A change of philosophy is most important in our view. It should be the economy, rather than the budget, that determines the situation of the country and, as far as possible, which also determines the budget. Therefore, it is necessary to prepare a new regulation of state finances. In the interest of a more proportionate share of the burdens, we want to move from an income-type taxation toward a consumption-type taxation; taxing the accumulated large assets and, in personal taxation, giving greater weight to family taxation are unavoidable. And while we are talking about the criticism of the current practice: A change of direction has to be implemented in economic policy that will give greater scope to the state's role to the extent that is necessary, but not work against the market processes. A lasting industrial growth is impossible without developing its dynamic branches, therefore, we want to improve the investment conditions, we are planning to change the amortization system, we would like to give tax allowances for investments, and we would expand the preferential loan packages. It is essential to draw up a nationwide program of infrastructure development because this development creates an additional demand in the economy, creates work opportunities, and boosts the domestic market. In privatization, we want to extend the proprietor groups in society, to ensure that the privatization of the state assets is done in a planned, controllable, and visible way. The revenues from privatization should not be used to restore the short-term budget balance because these amounts are needed in the reorganization of the economy, industry, or the given company. We find it necessary to increase the involvement of foreign working capital.

[Pinter] Are you not afraid that even your own voters will accuse you of selling off the country? Such comments cannot only be heard from the supporters of parties that are said to be extremists.

[Latorcai] I know about this, I can hear it, and I am sufficiently annoyed about it. My reply is that 10 to 12 percent of the national assets are in question. In the vast majority of privatizations and investments with foreign capital, technologies, and factory and labor managements that are more modern than the domestic ones have been implemented, and they have helped our domestic products gain access to the markets of developed countries. The favorable influence the joint ventures have on their suppliers when they insist on deadlines and regular good quality is worth noticing. Having said all this, I must say that, in the interest of increasing the domestic entrepreneurial willingness, the KDNP does not want to differentiate between domestic and foreign investments. This is one of the reasons it is important to involve a large proportion of domestic savings in the economy. A better offer of credits and bank privatization implemented while a modern banking system is established is a short step away from this. [passage omitted]

[Pinter] You are also probably familiar with the view that the KDNP's current behavior is like a political conjurer's trick because the party is showing a striking flexibility regarding its participation in a coalition after the elections. Do these views offend you?

[Latorcai] The KDNP has become one of the most important factors in Hungarian politics, and it would be strange if its behavior was not surrounded by speculations. The KDNP will certainly not govern together with forces that do not accept the civilized value system that has been established in Europe. In the interest of raising the nation, the KDNP lays great emphasis on creating consensus. I agree with this, and as an economic expert, I know that those who create and implement the economic policy that is our future will need an as broad as possible consensus. Since the KDNP has many values, we can certainly assess the values of other parties, too. We can determine how suitable these values, together,

are for serving the nation. To remain in my professional area, the KDNP certainly will not join a partner that lets inflation loose, increases unemployment, and further increases the country's indebtedness, because these kinds of conditions would make the futures of our children and even our grandchildren uncertain. [passage omitted]

## Industrial Output Expected To Increase in 1994

*AU3003103294 Budapest NEPSZABADSAG in Hungarian 29 Mar 94 p 11*

[Judit Kozma report: "Is the Modest Industrial Growth Continuing?"]

[Text] Modest signs of growth that are proving to be lasting appeared in certain branches of industry in 1993, an analysis of the Industry and Trade Ministry claims. The Ministry believes even a 4- to 5-percent growth possible in 1994, but the experts of the Economic Research Inc. [GKI] only expect 2 to 3 percent at the most.

In 1993, industrial output exceeded the 1992 level by 4 percent, the Central Statistical Office's report says. Within this, the output of manufacturing industry increased by 3.3 percent, mining by 1 percent, while 2.2 percent less was produced in electric energy, gas, heating, and water supplies than a year before. Within manufacturing, the output of metallurgy and metal processing increased by 14 percent and the 10.3 percent increase in engineering industry was also significant. Within this, the output of office machines and computers increased by more than two and a half fold and the production of public vehicles increased by about one-third.

At the same time, sales did not keep pace with the increased production, they exceeded the 1992 level by 2.9 percent. This mostly came from the growth of domestic sales because exports only increased by 0.2 percent compared to the year before. The exports of textiles, and leather and fur products were exceptions where, mainly as a result of work performed under commission agreements, exports increased by 11.9 percent. The chemical industry also achieved a relatively large export growth with 6.1 percent. At the same time, engineering industry mainly produced for the domestic market. For example, public vehicle production increased its sales by some 87 percent and the sales of light sources and lighting equipment increased one and a half times.

As we learned it from various sources, the Industry Ministry expects the continuation of the favorable tendencies of 1993, perhaps as much as a 4 to 5 percent growth. The experts of the Economic Research Inc. predict a somewhat lower growth, namely 2 to 3 percent. They said that this is based on the presumption that those industrial branches that started to grow in 1993 will continue to develop in 1994. On one hand, they are predicting a 6 to 7 percent growth of national investments, which means a good market for the enterprises interested in this area. On the other hand, the apparent upswing in Western Europe increases the export possibilities. It is a different matter that the 5 to 6 percent export growth forecast by the government is considered to be excessive by economic researchers. The export possibilities are hampered by the decrease of work performed under commission agreements because the low Ukrainian, Slovak, Romanian, and Polish wages are now strong competitors of the low Hungarian wages. However, forint devaluations can improve the export positions. The GKI expects a 17 percent devaluation throughout the year, some of which has already been implemented. Further devaluations might give an impetus to exports after the elections, however, according to their forecast, all in all, this will only be enough to keep exports on the 1993 level. Therefore, although at different levels in the various branches of industry, industrial output will also continue to grow in 1994.

## Pawlak To Apply for EU Membership in Brussels

*AU2903140494 Paris AFP in English 1335 GMT 29 Mar 94*

[Text] Warsaw, March 29 (AFP)—The Polish government decided Tuesday to make a formal application for EU membership, and will propose a negotiation schedule to that end, Polish Foreign Minister Andrzej Olechowski told reporters.

Olechowski said that Prime Minister Waldemar Pawlak would go to Brussels to make the application as soon as the lower house of Poland's parliament approves the measure, sometime after April 7.

Warsaw wants detailed negotiations with the European Union to begin in 1996 or 1997, finishing before 2000, when Poland could become an EU member with a special transitional status.

Poland has already signed a "Europe agreement" in preparation for eventual EU membership.

## Daily Views Admission Request

*WS3003113394 Warsaw RZECZPOSPOLITA in Polish 30 Mar 94 p 2*

[Commentary by Maria Wagrowska: "A Signal for the West"]

[Text] Poland will soon submit a motion requesting admission to the European Union [EU]. This very act itself will not really draw us closer to membership in this organization; however, it will confirm to all of Europe and to the Polish people that Poland links its future to the West. When European Commission Deputy Chairman Hennig Christophersen heard the news about the intention of the Polish authorities, he did not really encourage taking this step; he implied, however, that the motion would be a clear declaration of Poland's intention.

Poland will be able to think about equal participation in the West European integration only when the present "Twelve," and then "Sixteen" (after the European Free Trade Zone states join the union) decide that it has proved itself. Right now, there are no reasons to claim that the EU will want to admit Poland, Hungary, or other postcommunist states of Central Europe. The only such signal—which, however, is by no means a commitment—was the Declaration by the Copenhagen summit of the "Twelve" in June 1993.

Despite that, it is good that the Government of the Polish Republic decided to submit the motion, which was backed by the president. The resolution by the Council of Ministers, which consists of representatives of postcommunist parties (in the past, the Polish Peasant Party used to express considerable reservations concerning the association treaty, whose fragments dealt with trade in agricultural products), finally dispels any doubts concerning the pro-Western direction in the foreign, and partially commercial, policy of our state. The government's decision puts an end to the speculations of some Western observers, who claimed that Poles have difficulties resulting from an insufficiently liberalized exchange of goods and services with the "Twelve"; they also pointed out that Poles are disappointed with the stands of both the EU and NATO on Central Europe and thus may be discouraged from the West. The announcement of submitting a motion requesting admission in the EU may also help work out some intermediate form between association (which has been in force since 1 February 1994) and full membership in the EU. Even though so far no intermediate form has been discussed, various ideas keep coming up, in the West, as well, about how Central and West Europe could be linked more closely: politically, militarily, or economically. It is impossible to rule out the possibility that, depending on further developments, some kind of a transitory form of Poland's participation in the Western structures will be accepted. This would definitely draw Poland closer to the West.

## Walesa's Coalition Strategies Over Rosati Case

*WS3003094694 Warsaw RZECZPOSPOLITA in Polish 30 Mar 94 p 2*

[Article by Kazimierz Groblewski: "Lech Walesa—An Opposition Activist"]

[Text] *Lech Walesa has been acting in a way that is characteristic of opposition activists: He weakens the political rival at every opportunity—sometimes it is because he has reasons, and, at other times, it is just for the sake of principle. In a situation when the Democratic Union is not capable of redefining its identity after the elections, Walesa is currently the only "institution" that is persistently opposed vis-a-vis the victorious coalition.*

And he is dealing with the situation in his own way: He would not be able to handle both the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] so he courts and bestows favors on the latter. He would have much less room for maneuver if the SLD and the PSL were able to speak with one voice, at least on the most important issues.

By rejecting Rosati's candidacy, Walesa made public the fact that the SLD's personnel reserves are small. The president says: Provide me with another candidate, please (as if implying: After all, the party that won the elections should have plenty of candidates!)

An opportunity arose, so it is worth doing some teasing and showing that the victorious party does not have many candidates ready to assume the post of deputy prime minister and finance minister. In addition, the one candidate the SLD could possibly submit—that is, Leslaw Paga—has already been submitted by Walesa himself. After that happened, Kwasniewski could be prevented from submitting Paga's name if only for reasons of prestige.

The SLD and its leader responded in a way that can make Lech Walesa happy. For four days now, it has not been capable of coming up with any idea for solving the conflict. All the party does is make announcements several times a day that it upholds Rosati's candidacy.

The SLD feels offended by the facts. Regardless of how unfair, in the SLD's view, the president's decision is, it is still a fact. Walesa had a constitutional right not to sign the nomination. He did it for reasons he officially announced and also because he likes to provoke people and then wait to see what the outcome will be.

The SLD leaders refuse to take cognizance of Lech Walesa's decision. Aleksander Kwasniewski lets emotions take control of him, accuses the president of trying to destabilize the state, and flees from journalists in the Sejm building by using a ladder. In this situation, which is difficult but occasionally present in politics, one could have expected different behavior from a politician of the year 1993, the chief of the biggest deputies club in the Sejm and a "prime minister without portfolio."

The coalition is acting in the president's favor. It was known from the time of the elections that the issue of a possible limitation of the president's powers will have to be dealt with at some point. The coalition overdid it in their "testing" by giving Walesa an answer to the question of how much he can fear such a step on the coalition's part. As it turned out, he does not have to fear that very much in the end. Marek Borowski, who had threatened the president with limiting his powers, was immediately disciplined by his own colleagues from the Sejm deputy club.

Lech Walesa must be active so as not to be pushed into oblivion. "Not to let them forget about me" seems to be the president's main slogan of the moment. If he were to be obedient, the PSL-SLD coalition would probably be gaining in strength, whereas Walesa would become marginal.

And that is the way it is probably going to be; such behavior by Lech Walesa will be a permanent element of the political scene until the time of the presidential elections. This is why it made even less sense for the SLD to have reacted by feeling offended by the facts.

### Plans To Run for Presidency

*LD3003140394 Warsaw Radio Warszawa Network in Polish 1005 GMT 30 Mar 94*

[Excerpts] Lech Walesa's meeting with journalists and members of the SLOWO-DZIENNIK KATOLICKI editorial team at the paper's editorial office lasted almost two hours. [passage omitted] The president said that he has decided to run in the next presidential election because of the other candidates. [passage omitted]

[Begin Walesa recording] There are only professors and great politicians around. I am president, and I shall remain president for a long time because I know about politics. I shall do it, although it may surprise everyone. What happened at the last elections? Everyone was so sure, but what was the outcome? I shall do what is necessary for Poland, and I will remain within the law. I will not break the law. If a particular solution is necessary, this solution will happen. Who will win? Certainly not the Democratic Left Alliance this time. It will happen in accordance with the law, and I shall do it wearing kid gloves. When they all find out the results, it will be too late.

I am not changing my opinion because I respect Prime Minister Pawlak very much. However, Pawlak is a very talented young man who has no experience with people in the streets, stone-throwing, strikes, and all of that. I can predict what times like these will bring, and this is only a prelude. Some people can already smell gunpowder and some cannot. I am afraid that Pawlak cannot bear the burden of these solutions. Moreover, he has a very unrepresentative parliament. I am not undermining democracy. I respect it, but I am talking about facts that result in more facts. I have foreseen, and I can still see, that he will have a difficult life and that he is wasted at a time like this.

What would the outcome of the elections have been if they had listened to me then? What would the situation be now? Totally different. Fate has accomplished what I wisely proposed earlier, but no one writes about this. I wish Pawlak all the best, although I am afraid the issues involved are so difficult that great experience is needed to cope with them. Pawlak does not have experience because of his age and track record.

The time has come that we must talk to all social groups, including workers. If this stage comes earlier as a result of irresponsible behavior or an attempt to change the Constitution, other issues will also have to be examined, and more talks will have to take place.

I favor clarity on the most vital issues, clarity of government actions and clarity of economic conditions and prospects, so we can feel more certain and can make better choices tomorrow. I would like the situation before the elections to be clear, so that the nation knows who it is choosing, so that the nation is convinced that it must choose, so that the elections go well, and so that we can win. [end recording]

### Possible Split in SLD-PSL Coalition Viewed

*WS2903153094 Warsaw RZECZPOSPOLITA in Polish 29 Mar 94 p 2*

[Article by E. Cz: "Will the SLD Leave the Coalition?"]

[Text] If this were a normal Sejm, in which it were clear what one can expect from which party and it were clear that all sides would stick to their agreements, the ruling coalition would not exist today. This is claimed by certain members of the Democratic Left Alliance [SLD].

An agreement between the Democratic Union [UD] and the Union of Labor [UP] would have been enough to

push through the vote of no-confidence in the government and establish a cabinet supported by the Sejm and independent from the president. If the SLD were not able to reach such an agreement, the Polish Peasant Party [PSL] would do that because both partners are beginning to consider the coalition uncomfortable. Meanwhile, as unofficial reports indicate, the leftists and the peasants have independently examined the possibility of taking such a step in the Sejm, in both cases without any results.

**Doomed to Themselves**

The difficulty to receive the prime minister's acceptance regarding personnel decisions put forward by the SLD, as well as the suspicions that cooperation is blocked with the quiet consent of the president, were not the only reasons behind the hitherto discrepancies inside the coalition. These conflicts, however, have been the most visible to the public. Left-wing politicians begin to more and more loudly accuse the peasants of lacking competence, which is predominantly described as a lack of vision of how the state should function—in both the administrative and the economic spheres. The draft decree on the Office of the Council of Ministers [URM], which has been submitted for consultations among the coalition members and certain voivodship leaders, is supposed to testify to the first accusation. The first opinions, which are not without resentments, are that the draft, which has been presented by Minister Strak, contains only two concrete proposals: First, the prime minister is the most important person in the government, and second, the URM chief is next, after the prime minister. As critics of the draft unofficially claim, numerous articles of the draft have nothing in common with the reform of the central administration.

The weakness of the PSL's intellectual potential and the small number of economic experts working for it are supposed to be proof of their lack of economic vision. The left wing is therefore convinced that the PSL will not break the coalition without support from a party that has a concrete economic program and people who could implement it.

**Only the Opposition**

It is also very unlikely that the SLD will decide to suspend the coalition. Numerous concessions to the PSL indicate that the left wing wants to remain in power, and it is able to swallow a lot to achieve this. The only thing that could make it leave the coalition would be clear and demonstrative disloyalty of the prime minister. Waldemar Pawlak, as the conflict over Dariusz Rosatti shows, will not run this risk, however.

Political alignment determines whether the SLD's place today is in the government with the PSL or in the opposition. Being in the government, the SLD becomes a client of the PSL, if it wants to implement its program. If the SLD ended up in the opposition, both sides would have to switch their roles. It would be Pawlak who would have to exert himself to win over the friendship of Kwasniewski and his club. Apparently, the left wing is beginning to use this scarecrow more and more often. The SLD politicians, however, still believe that the conflict with the president will finally convince both leaders, particularly the prime minister, that they will manage to survive the long-dreamed-of four years in the Sejm only in close cooperation.

If the coalition manages to jointly overcome the political crisis, for which the SLD is striving, the left wing will probably further chill its relations with the president.

Given the current majority in the Sejm, we actually do not need the president, reminds one of the SLD leaders. He also announces that the coalition can minimize the president's ability to make political decisions before the next elections.

**They Will Stay Because They Have No Choice**

Jan Rokita (UD), who indicates that he is not convinced "it is a good thing in politics to answer the question of what your political opponents are going to do," does not believe that the coalition will split in the near future. Arguments in favor of preserving the coalition are stronger than the controversy over the program, which is currently dividing and will continue to divide it.

The PSL and the SLD are primarily divided over redistribution of the GDP—whether it should be used to stabilize the agricultural sector or to fulfill the SLD's election promises to the budget sector. I am convinced, however, that the willpower in both the PSL and the SLD is still strong enough to patch this discrepancy for a long time. I do not believe that the SLD leadership can allow itself to leave the coalition because this would mean that thousands of people who are associated with the communist apparatus would lose the chance to regain their position, which was endangered during the past four years. They would probably not forgive Kwasniewski for the rest of his life.

It is hard for Jaroslaw Kaczynski (Center Accord) to predict how the SLD will react—it can leave Pawlak alone, not overthrowing him but leaving him with certain responsibilities. Another two schemes can also prevail—opportunism and waiting for the presidential elections and adoption of a new constitution, meaning a situation favorable for the SLD. The decision of the SLD can also be affected by other factors. I know nothing about the mood inside the SLD. Is it true that Oleksy is against Kwasniewski and that Kwasniewski feels beset by others? Kwasniewski must also reckon with the "retro" apparatus, which does not want to be in the opposition.

The humiliation of the SLD by the prime minister and the president, in the opinion of Kaczynski, is a result of an error committed by the SLD at the beginning. While forming the government, Kwasniewski should have stated: Either we get the office of prime minister or a ministry, or we do not join the government.

The SLD will definitely not leave the coalition, Wieslawa Ziolkowska (UP) insists. It will feel the pressure of "the responsibility for the fate of our country."

The SLD will not leave the coalition because it does not have any political interest in doing this, Janusz Piechocinski (PSL) claims. The coalition has not yet begun to implement its program. It would therefore be hard for them to explain that they did not manage to do anything in this situation.

I do not expect any significant political movements in the political arena before the local elections or even before next fall. If such tensions between the president and the government recur, however, the SLD may leave the coalition and support a minority government of Pawlak and the Belweder. In such a case, however, Pawlak would have to find time and understanding for Kwasniewski's opinions.

## Solidarity 'Outraged' at Cimoszewicz Statement

*WS3003113294 Warsaw RZECZPOSPOLITA in Polish 30 Mar 94 p 2*

[Article by B.I.W.: "Solidarity: We Expected To Be Treated Seriously"]

[Text] Solidarity ["S"] is outraged at the statement by Deputy Prime Minister Wlodzimierz Cimoszewicz, who, following the session of the Social-Political Committee of the Council of Ministers [RM] and the Economic Council of the RM, stated that there are no formal obstacles for discussing the "S" demands in substantive negotiations. However, the negotiations should be held in the Trilateral Commission and in teams negotiating social guarantees. "S" is waiting for the RM to make a statement on the talks of the union and government experts. "Any delaying of the date will be treated by us as a breach of the agreement," we were told by "S" Experts' Team Chief Stanislaw Alot.

Today [30 March] in Katowice, the "S" Protest Headquarters will convene. It is possible that, if the government rejects this information, we will decide to stage a general strike.

In the context of the above-mentioned statement by Cimoszewicz, National Committee Press Spokesman Piotr Zak stressed that, "during talks with government experts, the 'S' experts proved that all demands submitted by our union, except those demanding state property for citizens and the introduction of a 40-hour workweek, must be negotiated only between the Independent Self-Governing Trade Union 'S' and the government."

"By making a statement on the issue of representativeness, Wlodzimierz Cimoszewicz, a lawyer, justice minister, and deputy prime minister, demonstrated compromising ignorance. One cannot mistake the representativeness of a party in parliamentary elections for the representativeness of organizations of employers and employees—that is, trade unions," declared Zak. It is worth recalling that Cimoszewicz said in the television program "Panorama" that the issue of representativeness had not been resolved so far, and that "the labor world decides through its membership, paying subscription fees, and voting in parliamentary elections": "Because of that, the representativeness of "S" might be questioned. We are not doing that; we are treating this union seriously; however, we will not allow anyone to dictate anything to us," said Cimoszewicz. "S" demands that the representativeness of unions be observed, especially in the Trilateral Committee negotiations.

"For the time being, the deputy prime minister is not the RM," stated Alot, and added that they are awaiting the government opinion. "The declarations were unequivocal: The information will be submitted at the next RM session."

According to Alot, the "S" demands have been presented in a better form than the election programs of some parties: "We expected to be treated seriously."

### Iliescu, Russia's Grachev View Closer Ties

*AU2903154794 Bucharest Radio Romania Network in Romanian 1300 GMT 29 Mar 94*

[Text] In a statement to the press after meeting today with Romanian President Ion Iliescu, Russian Defense Minister General Pavel Grachev said that he held talks with Prime Minister Nicolae Vacaroiu and that their talks focused on economic issues. The sides agreed that relations between our countries have not reached the desired level and our countries have not made complete use of their potential. These relations can be improved and expanded, something that can be achieved through the meeting of the two prime ministers, that is the prime minister of Romania and of Russia, that will take place in the near future.

With Romania's president I held only a political dialogue, Pavel Grachev said, noting that he informed the Romanian president about the internal political situation in Russia, the division of political forces, and the actions taken by the president and the government to find solutions to the internal and foreign policy problems and to the problems of reform.

President Iliescu informed the guest about the domestic and foreign activity of the political leadership in Romania. The sides reached the conclusion that our countries have many similar ways to ensure their development.

Iliescu declared that Romania wishes to achieve a closer cooperation with Russia and is expecting a meeting with Boris Yeltsin, a meeting that he hopes will take place still this year. Russia's position is identical, namely to strengthen ties with Romania, which diminished at a certain point.

Grachev declared that he held talks with President Ion Iliescu on several foreign policy issues, especially about the Partnership for Peace with the countries of Western Europe and with the United States.

The sides reached the conclusion that the partnership should be based on the principle of equality, there should be a basis for mutual advantage, and all countries in Europe should be drawn into this partnership to ensure joint security.

### SRI Director Holds News Conference

*AU2903164294 Bucharest Radio Romania Network in Romanian 1300 GMT 29 Mar 94*

[Text] The Romanian Intelligence Service [SRI] held a news conference at the House of Culture of the Ministry of Interior today with the participation of SRI Director Virgil Magureanu and Nicolae Ulieru, head of the SRI Press Bureau. More than 200 journalists, representatives of the main newspapers in Bucharest and the provinces, photojournalists, and journalists from radio and television stations, including from private stations, were present in the hall, our correspondent Dragos Ciocarlan reports.

At the beginning of the news conference, SRI Director Virgil Magureanu referred to several aspects of the activity of the institution he is heading in the period since the previous news conference last November. He pointed out the positive changes that have occurred in the institution's image, after the election of the SRI director by the vote in parliament and after the important adjustments made in the regional and central leadership of the institution, which is the third stage of SRI's restructuring. Virgil Magureanu considered the setting up of the parliamentary control commission of the SRI activity as a new stage in his institution's relationship with the parliament and the public at large.

Among the problems currently facing the SRI, Magureanu referred to personnel policies. Regarding the SRI report on the December 1989 events, a report which he forwarded at the beginning of this year to the parliamentary commission investigating those events, Magureanu said that the release of this report to the press will depend on the commission's president, Valentin Gabrielescu.

Regarding the activity carried out by the SRI in recent months, Magureanu said that, despite certain sensationalist nuances presented in the press, it was assessed as, quote, a normal activity, which does not necessarily mean a routine one, end quote.

Magureanu then answered the many questions put by the journalists.

### Iliescu Pardon Seen as 'Subtle Trap' for Left

*AU3003115294 Bucharest EVENIMENTUL ZILEI in Romanian 28 Mar 94 p 1*

[Ion Cristoiu editorial: "The Left Has Fallen Into Ion Iliescu's Subtle Trap"]

[Text] At his news conference held at the end of last week, Presidency Spokesman Traian Chebeleu announced the signing by Ion Iliescu of a decree pardoning certain individuals. Among these "individuals" were the candidate members of the Political Executive Committee (PEC) [of the former Romanian Communist Party, PCR] who were sentenced to jail terms after the December 1989 events. The specification "candidate PEC members" was necessary to dispel the impression that the decree refers to all participants in the famous PEC meeting of 17 December 1989. The high presidential goodwill only touched a part of those who later had to pay for their presence at that meeting. The full PEC members were not pardoned, which has led to their complaining about it to the Council of Europe in a letter published on page 3 of this issue of our daily. The pardoning of part of those sentenced after December 1989 has caused great enthusiasm within the Socialist

Party of Labor [PSM], the Greater Romania Party [PRM], the Romanian National Unity Party [PUNR], and even the Social Democracy Party of Romania [PDSR]. Recently, the left has insistently demanded the release of the former PEC members. The satisfaction with which the presidential decree was received resides in the belief that Ion Iliescu has had to give in. Is this belief justified? If we read only part of the decree, the answer is positive. However, if we read the full text, the satisfaction of the PRM, the PSM, the PUNR, and the conservative group within the PDSR is not all that justified, for the simple reason that, along with the former PEC candidate members, eight Hungarian ethnics involved in the murders committed at Zetea and Dealu in December 1989 were also pardoned. The latter were sentenced in 1990 and 1991 for first degree murder, after killing several Romanian militiamen on 22 December 1989. The nationalist-communist forces, represented by the PRM, the PSM, the PUNR, and part of the PDSR, received with great satisfaction the sentences pronounced against the Hungarian ethnics. The Democratic Union of Hungarians in Romania [UDMR] immediately protested and never ceased to do so since then on. It complained to various European bodies, including the Council of Europe. The PRM, the PSM, the PUNR, and part of the PDSR rose against the UDMR's action. In the press and Parliament, the nationalist-communist leaders termed the UDMR protest as a destabilizing action and asked the institutions of the power, headed by the presidency, not to give in to what they called Hungarian blackmail. The international pressure to pardon the eight Hungarians became increasingly greater with each passing day. It was mainly the Council of Europe that took up the issue of their pardoning. One of the points of the inspection by the two Council of Europe rapporteurs [Friedrich Koenig and Gunnar Jansson], due to start today, is whether Romania released the eight Hungarians. Ion Iliescu was thus confronted with a dilemma. By keeping the eight Council of Europe proteges in jail, he risked to incur great international wrath. By releasing them, he risked the fury of his left-wing allies. He solved this dilemma in the well-known Ion Iliescu style, namely through a politically well-thought maneuver. For the president, the main thing was to comply with the Council of Europe's requirement. However, this should be done in such a way as to not upset the nationalist-communist leaders too much. Therefore, he added the PEC candidate members to the list of the pardoned people. In that way, the president tried to reduce to the maximum the negative impact that the pardoning of the eight Hungarian ethnics was bound to produce among the left. One might say that his former party-state colleagues were pardoned thanks to the eight Hungarians. If it had not been for this complicated problem, it is more than certain that Ion Iliescu would not have even thought of freeing those who remained bosses, while he was demoted to a mere director of a publishing house. One cannot say that the president did not act cleverly. The PSM, the PRM, the PUNR, and part of the PDSR overlooked the pardoning of the eight Hungarian ethnics. Their entire attention concentrated on the release of the former PEC candidate members. It is easy to imagine what a hullabaloo would have been if the pardon had only envisaged the Hungarians. The president would have incurred the wrath of his allies. Consequently, the pardoning of the former PEC candidate members is not a sign of weakness from Ion Iliescu vis-a-vis the left of our political landscape. It should rather be considered as a subtle trap that the president has set for the PRM, the PSM, the PUNR, and part of the PDSR. Therefore, a more careful examination of the situation reveals that these political forces have no reason to be enthusiastic about the recent decree signed by Ion Iliescu.

## PNL's Quintus Stresses Need for Unity

*AU3003103694 Bucharest AZI in Romanian 25 Mar 94 p 5*

[Interview with Mircea Ionescu Quintus, president of the National Liberal Party, by Andrei Costa; place and date not given: "The Unification of the Liberal Movement Is a Must for Romania"]

[Excerpts] [Costa] Mr. President, when did you first get come into contact with the liberal movement?

[Quintus] In April 1936, when I was still a student. My father, who died shortly before that date, had been the chairman of the liberal organization in Prahova County. [passage omitted] My actual involvement took place at the end of 1945, with the Soviet troops still in the country. I and a group of colleagues and friends decided to join the National Liberal Party [PNL] "Bratianu." We set up a very strong youth organization and I was elected its chairman. Therefore, I occupied this post from the end of 1945 until the spring of 1947, when the political parties were outlawed. I was also a member of the Liberal Youth Central Committee, where I became acquainted with a part of the present leadership of the party. Some of my former colleagues are no longer alive.

[Costa] Did you suffer political persecution in the period of communist dictatorship?

[Quintus] Of course, I was lucky to suffer less than the others, since I remained in the Collegium of Lawyers, whose chairman was a man with whom I did military service and who overlooked my political past. [passage omitted] Nevertheless, I was once briefly arrested in 1945 and then, for a longer time in 1952, when I was sent to the Canal [the first Danube-Black Sea Canal project, where political prisoners were sent to do hard labor] until 1954, because of my former position in the liberal youth movement. Likewise, in 1956 and 1957 I was submitted to tough interrogations by the Securitate. [passage omitted]

[Costa] What are the present prospects of the liberal trend at the international level?

[Quintus] I believe that the strongest liberal movement right now is in Japan. [passage omitted] Without trying to show local patriotism, I would say that some of the

strongest liberal parties—I am sorry to have to use the plural here—are in Romania. Nowhere in the countries with liberal parties is the liberal governing alternative as possible as in our country, if we were to manage to achieve the most important thing for the country, namely the unification of the liberal movement. [passage omitted]

[Costa] With what liberal parties abroad does the PNL maintain relations of cooperation?

[Quintus] We are cooperating with various parties of a liberal orientation from Bulgaria, Hungary, Germany, Switzerland, and Belgium. In Sweden, there is also a liberal party with which we have been in touch. However, this cooperation has been pretty timid, since we have to pay more attention to PNL internal problems and stability. [passage omitted]

[Costa] Regarding the local public administration, how do the PNL representatives in the territory act to solve problems in the spheres they are in charge of? Please tell us how do you cooperate with the other opposition parties in this respect.

[Quintus] Personally, I know the situation in many counties, where our councillors cooperate perfectly well with the councillors of the Democratic Party (National Salvation Front) [PD(FSN)] and the Democratic Convention [CDR]. I would like to point out that the letters of intent we have recently signed with the PD(FSN) and the Civic Alliance Party [PAC] proved to be very inspired and were very well received in the territory, where, I repeat, there is a perfect cooperation among us. This cooperation strives hard to thwart the constant attempts of the Social Democracy Party of Romania [PDSR] to also lay hold of the power in the local administration, where the CDR and PD(FSN) have scored very good results in the local elections. This common front is necessary to thwart this dangerous intention of those in power.

[Costa] If it were given a mandate to govern the country, under what conditions would the PNL accept it?

[Quintus] This is a hypothetical question, which I will consequently treat as such. First of all, the liberals could only assume the responsibility of government if they were united in a single large party and not in the mess they are right now. For the coming months, up to a year for now, I believe that the country can only be ruled by a coalition of parties that can put together a parliamentary majority. As for us, the PNL has a single representative in Parliament, namely Mr. Caius Dragomir, who, if he is appointed ambassador abroad, will have to give up his post as senator and the quality member of our party. A party that has no parliamentary support cannot fulfill its program in government. However, I believe that, in the current circumstances, only a coalition between the opposition and one of the important forces of the power can assume such a responsibility. If, by some absurdity, I were to be given the mandate to govern, I would refuse it because it would be preposterous for a party that is not even represented in Parliament to think of the possibility of governing. However, I repeat, even if we were represented in Parliament, only a coalition of powerful forces could run public affairs in the current very difficult economic and social conditions of the country and try to implement the reform and revitalize our production and economy. [passage omitted]

### Election of New Federation President Postponed

*LD3003084494 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 30 Mar 94*

[Excerpt] The constituent assembly of the Bosnia-Herzegovina Federation is scheduled to start in Sarajevo at 1000 today. Zdenko Vranjes reports from Sarajevo.

[Vranjes] According to last night's agreements between Croat and Muslim representatives, the constituent assembly should today simply proclaim the federal constitution, but not elect the president and vice president of the Federation for a transitional period.

According to the leadership of the Croatian representatives, the election of the president and vice president of the Federation has been postponed for one month at most, because the Bosniak Muslim side has not agreed to the proposal put forward by Croatian representatives, to the effect that the president of the Bosnia-Herzegovina Federation be a Croatian during the transitional period. [passage omitted]

### Assembly Continues Session, Makes Decisions

#### Accord With Croatia Endorsed

*LD2903210794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 29 Mar 94*

[Excerpts] The Bosnia-Herzegovina Assembly was in session in Sarajevo today. [passage omitted]

The assembly endorsed an agreement on future military and economic cooperation between the federation of Bosnia-Herzegovina and the Republic of Croatia, with 83 votes for. Continuing, the assembly passed a law on the adoption of the draft constitution of the federation of Bosnia-Herzegovina and a decision on the adoption of the draft constitution of the republic of Bosnia-Herzegovina. A decision on the future work of the Assembly of Bosnia-Herzegovina and municipal assemblies was also adopted. The assembly is to resume its session at 1000 tomorrow.

#### Statement on Negotiation Policy

*AU3003133994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1203 GMT 30 Mar 94*

[Statement read by the Assembly Secretary General Avdo Campara and adopted at the session of the Assembly of the Republic of Bosnia-Herzegovina in Sarajevo on 30 March—live]

[Text] On the basis of Article 207, Paragraph 2 of the Constitution of the Republic of Bosnia-Herzegovina, its text amended, the Assembly of the Republic of Bosnia-Herzegovina adopts the following statement at the joint Assembly session held in Sarajevo on 30 March 1994:

Proceeding from the (?outline) of [word indistinct] ratification of the Washington agreement, adopted at the session of the Assembly of the Republic of Bosnia-Herzegovina held on 27 March 1994, the Assembly of the Republic of Bosnia-Herzegovina demands of the state delegation of the Republic of Bosnia-Herzegovina—in the continuation of the peace negotiations on Bosnia-Herzegovina—to also proceed from the Constitutional Law on the Amendments to the Constitution of the Republic of Bosnia-Herzegovina, which is a basis for establishing a new internal setup of the Republic of Bosnia-Herzegovina on the federal bases on the entire territory of the Republic of Bosnia-Herzegovina within its internationally recognized borders.

This statement will be published in the Official Gazetteer of the Republic of Bosnia-Herzegovina, the same as the statement that was read by Mr. Mariofil Ljubic. Thank you.

#### Amendments Ratified

*AU3003143494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1159 GMT 30 March*

[Amendments to the Constitutional Law adopted at the Bosnia-Herzegovina Assembly session in Sarajevo on 30 March; read by Constitutional Commission member Kasim Begic—live]

[Text] The commission has decided to adopt the amendments that apply to the (?original) text. Article 1, Paragraph 2 should include the words: possible changes. So, (?this is) a decision on possible changes.

Moreover, Article 4 will have a new paragraph, which reads: The Government of the Republic of Bosnia-Herzegovina, reshuffled according to the Constitution of the Federation, will perform the duties of the Government of the Federation.

Article 5, instead of the old paragraph 2, which is being nullified, contains a new paragraph: The competences of the Federation as determined by the Constitution of the Federation that refer to the international status [subjektivitet] and territorial integrity of the Republic of Bosnia-Herzegovina will be exercised after the completion of the peace process for Bosnia-Herzegovina.

You have in the meantime received these changes to the original text, in other words, the amended text.

In addition, the commission proposes that Article 5 be followed by a new Article 6 that should read: In Article 9 of the Constitution of the Republic of Bosnia-Herzegovina, the word Muslim is replaced with the word Bosniak.

The commission did not accept other amendments because some of them are not in the domain of constitutional matters. Some other amendments presented in the discussion here are not in line with the Washington Agreement, nor in line with the decision adopted by the Assembly of Bosnia-Herzegovina last night, which ratified the Washington Agreement. Some amendments are

simply not correct. Therefore, they are not a result of the text of the Constitutional Law, but of a lack of understanding. For instance, regarding the name of the federation, the Federation of Bosnia-Herzegovina cannot include the words: the Republic of Bosnia-Herzegovina.

Regarding the amendments proposed by Mr. Ceman, the amendment that referred to a new paragraph in Article 2, the Constitutional Commission proposes that this be presented in the form of a statement by the Assembly, and that the text of the Constitutional Law not be changed, as this would open the question of whether the text of the Constitutional Law and the Washington Agreement are complementary.

Therefore, regarding the presented amendments, you now have in the edited text all the amendments that have been adopted by the Constitutional Commission, except the new Article 6. The existing, old Article 6 is now to become Article 7.

Finally, the Constitutional Commission is recommending to the deputies not to hold a discussion on the proposed Constitutional Law for two reasons. First, there has already been time to discuss it and the deputies, and the Presidency and the Government of the Republic of Bosnia-Herzegovina have already expressed their views on it. The other reason is that every new amendment would require additional assessment by the Constitutional Commission. In this way we would only prolong what we are all waiting for, I hope, namely the session of the constituent assembly.

Therefore, I ask the deputies to ratify, as stated here, the proposed Constitutional Law, as a supplement to the Constitution of the Republic of Bosnia-Herzegovina.

## Ganic Views U.S. Mediation, Prospects for Peace

*AU3003130394 Ljubljana OSLOBODJENJE (Europe Edition) in Serbo-Croatian 25 Mar 94 p 1*

[Commentary by Bosnia-Herzegovina Vice President Ejup Ganic: "The End of an Aristocratic Play"]

[Text] What does the Pax Americana that has been signed in Washington, the capital of European diplomacy, bring to us? In addition to that, the visit of British Prime Minister Major, and his view expressed in the talks that the first principle of the London conference (forcefully taken territories are not to be recognized), at which he was presiding, and the statement to a CCN [as published, probably CNN] journalist after the meeting, that pressure ought to be exerted on Serbs, is what makes the recent days politically harmonized.

The made-in-America beginning of peace in Bosnia is bringing about currently the most important thing—a chance for peace.

The United States is neither a country of sentiment, nor of charity, nor of the generous Slav soul, and even less of the self-loving, rigid, frustrated diplomats of the former great powers, who tried to cure their spinster-like neuroses by dealing with Bosnia. The United States, which fortunately did not turn proletarian, has simplified the Bosnian crisis, breaking it down to its tiniest components, and rewound the entire film back to its beginning. And the beginning of everything was the Serbian aggression, in those April days of 1992, when the Serbian army massively set off across the Drina River, following the example of great Soviet tank offensives in World War II. In only 10 or so days, by fire and sword, with streams of blood and incredible crimes, that army took hold of Bosanski Brod, Zvornik, Foca, Visegrad....

At the very beginning the Americans unmistakably distinguished between the good guys and the bad guys. What happened later in Bosnia-Herzegovina, under the rule of European mediation, is well known. Americans, the masters of simplification, have gone much further: The good guys will live together, while the bad guys may join the good guys, but the war criminals must be brought to justice. I ask the readers not to insist on subtleties, or details, of all those Balkan mysticisms by which Belgrade has so skillfully befogged the war in Bosnia. Milosevic wanted to turn his classic aggression into a civil war, and to misrepresent all his conquests as though they were done in self-defense....

Therefore, the paper that was signed in Washington is a result of the systematized chronology, and of the determination that the world should finally start dealing with things the way that Europe should have dealt with them as early as April and May 1992. The Washington agreement means also the end of diplomacy's being an aristocratic play. Lord Carrington, Lord Owen, and citizen Stoltenberg made a mistake while cribbing their exam-paper in mathematics, and all the time they believed they were right, until they themselves fell victims to their delusion. They mixed up apples and pears, that is, the aggression and the legitimate resistance of a sovereign country. The Washington initiative has definitely pensioned them off.

Bosnia-Herzegovina, just like the phoenix, is slowly and with difficulty rising from its ashes. The new interior arrangement of Bosnia is just being designed. The sooner the Serbs join the negotiations and give back what they seized, the more comfortable their future home will be for them.

But let us not fool ourselves that the war is over just because the peace pipe was so joyfully smoked on Capitol Hill. If Sarajevo is no longer so savagely shelled, while Bihac, Maglaj, and Olovo still are, that does not mean we should be satisfied that the war, perhaps even a more fierce one, has moved into the interior of the country.

There will be no peace in Bosnia without peace in its most distant hamlet. There will be no peace in Bosnia unless all those who were expelled and displaced in the process of ethnic cleansing (read: genocide) return to

their homes. For that reason I believe that the Washington agreement is but a first step toward a just solution.

Because we are wiser, given the experience of one war, and more cautious, given the prospect of peace.

### Karadzic Meets With Russian Delegation

*LD2903165894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1628 GMT 29 Mar 94*

[Text] Sarajevo, 29 Mar (TANJUG)—President of the Srpska republic Radovan Karadzic received a delegation of the Russian parliament led by Sergey Baburin in Pale today. Following the meeting, Karadzic stated that the Russian parliamentarians' visit was important for many reasons. He recalled that Russia was involved in the adoption of all resolutions on the Bosnian crisis and that Russian soldiers are present in this area. Asked whether they discussed the possibility of dispatching fresh Russian troops to Bosnia, president Karadzic said the Serb side is making steps in that direction, in order to act as a counterbalance to soldiers from other countries. The Russian parliamentarians visited members of the Russian UN Protection Force battalion deployed in Grbavica.

### Convention of Serbs in Sarajevo Condemned

*AU2903173294 Belgrade Radio Beograd Network in Serbo-Croatian 1515 GMT 29 Mar 94*

[Commentary by Jovan Lakicevic]

[Text] The recent convention of a group of Sarajevo Serbs who expressed loyalty to Alija Izetbegovic and supported his concept of a unitarian Bosnia under Muslim domination, is a matter of choice for the individuals who gathered there. However, this has nothing to do with the already expressed legitimate will of the Serbian people in the former Bosnia-Herzegovina. Here is a commentary by Jovan Lakicevic:

[Lakicevic] The Sarajevo political circus, stage-managed by some kind of a Serbian Citizens' or Serbian Consultative Council under the auspices of Alija Izetbegovic and the vigilant eye of U.S. Envoy Charles Redman, is one of those events that inevitably causes feelings of shame and resignation among decent people. This is so primarily because of the awareness of the kind of humiliation some of our compatriots in Sarajevo are prepared to accept in order to accomplish their extremely banal, petty, and personal ambitions.

Their decision to live in the Muslim part of Sarajevo is their own choice, and it was therefore not at all necessary to raise it to the level of an improvised political meeting and some kind of political proclamation that support Alija's idea of a unitarian Bosnia under Islamic domination. However, the meeting of a group of Sarajevo Serbs, who, as they themselves said, hold prominent posts in cultural, economic, political, humanitarian, (?business) and other organizations, with the unconcealed illusion that they will retain these with this action, has gone one step further. These Serbs did not hesitate to ask Izetbegovic and the United States to scrap the Srpska republic for the sake of unitarian Bosnia, and demand trials for their compatriots for having committed war crimes.

Regarding the first demand, they have obviously overlooked the fact that 90 percent of Serbs in Bosnia hold a different view and that they have expressed their view on two occasions. First, they voted in favor of the program of the Serbian Democratic Party, and then, with the same percentage, to stay in the former and future Yugoslavia.

Regarding war criminals, it appears that these concealed and newly discovered fans of Alija's sovereign Bosnia, who are susceptible to amnesia, completely overlooked the fact that the most serious crimes in Sarajevo have actually been committed by Alija's former proteges: Juka Prazina, Caca, and others, and that they have been liquidated by Izetbegovic's camarilla so that the International Court for War Crimes in The Hague could not one day lay its hands on the greatest monsters of the Sarajevo horror, who incidentally were not Serbs, but Muslims.

The aforementioned Sarajevo Serbs, who hastily gathered themselves in the Citizens Council and expressed loyalty to Izetbegovic's leadership, appear not to have learned anything from the experience of the Zagreb Serbian People's Party, a similar party in form and function. This so-called Serbian party of Milan Djukic's at one time played the role of folklore detachment to the vociferous young Croatian democracy, but when it had finished its sad, subservient role, Tudjman dismissed it completely. This appears to be the inevitable fate of all volunteer servants who are prepared to betray the interests of their people for personal gain.

Those who were in a position to see it on television saw that the so-called Serb convention in Sarajevo was also attended by a former top-ranking member of the League of Communists of Serbia, Zarko Papic. Also attending was Dr. Ivan Djuric, who was brought for this occasion from Paris and is otherwise known as someone suitable for all anti-Serbian actions anywhere from Belgrade to the capital city of France. Those who were not present but were dying to be there were the representatives of the Citizens Association of Serbia, the Independent Trade Unions, the Belgrade Club of Independent Intellectuals, the Center for Anti-War Action, the Fund for Human Rights, the Helsinki Parliament of Citizens, Women in Black, the European Movement, and other similar quasi peace-loving organizations from Belgrade, whose number is almost identical to the number of their members.

They were not there because UNPROFOR [UN Protection Forces] did not secure a plane for them to fly from Belgrade to Sarajevo. The president of the Serbian Renewal Movement did not go there either, even though he wanted to. He sent a letter to the organizers of the

Serbian self-humiliation in Sarajevo, criticizing UNPROFOR for not meeting their wishes, unlike the wishes of those of who commanded the destruction of Sarajevo, which it had met on so many occasions in the past.

Things appear to be somewhat more complicated than it appeared to those nervous, impatient, and not-to-be passengers to Sarajevo. UNPROFOR people, that is, the political circles of the Western alliance, obviously correctly assessed that their trip to Sarajevo to serve Izetbegovic and Silajdzic would be a causal motive for their new political disgrace at home in Belgrade. They therefore needed to be protected from this, because all these pacifist organizations that used all available means, including those coming from abroad, to fight for peace and brotherhood and unity at a time when Serbs in Bosnia and Krajina were literally forced to take arms and protect their basic human and civil rights and the right to life, have not finished playing the role given to them by their inspirers and founders on the Serbian political scene.

One should therefore not be angry with UNPROFOR, because people in UNPROFOR, or rather, the people behind UNPROFOR, actually thought about their political future when the organizations were not.

Regarding the organizers of the aforementioned convention of Serbs in Sarajevo, they should simply be left to their own fate, or rather, the choice they themselves have made. This really has nothing to do with the Serbian people in the former Bosnia-Herzegovina and their already expressed will and determination.

## Islamic Leader Meets With HVO, Muslim Leaders

*AU2903194594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 29 Mar 94*

[Text] Today Mustafa Efendija Ceric, reis ul ulema of the Islamic community of the Republic of Bosnia-Herzegovina, received Lieutenant General Ante Roso, commander of the Croatian Defense Council [HVO] Headquarters. The reception was also attended by Army General Rasim Delic, supreme commander of the Chief of Staff of the Bosnia-Herzegovina Armed Forces, and Naib Ul Reus Ismet Efendija Spahic.

During the long conversation, Reis Ul Ulema Mustafa Efendija Ceric supported all the efforts aimed at a military and political agreement between the Bosniak and Croatian peoples, and stressed that these two peoples are not two sides as they have only one homeland, Bosnia-Herzegovina. Their common fate is to fight a war for peace and to fight in peace for the defense of their own dignity. He stressed that the 1,000-year fate of Bosnia was its multicultural character, and that this feature was the only basis for the world and its existence. The reis ul ulema confirmed that the Islamic community would do all it could to help heal the wounds inflicted by the aggression upon Bosnia-Herzegovina, which has caused grievous losses to the Bosniak people.

Expressing his personal conviction as a believer that the Islamic community in Bosnia-Herzegovina and its leaders would offer help in the healing of the wounds caused by the war, Lieutenant General Ante Roso particularly stressed that he had come to Sarajevo because he was convinced that everything should be done to achieve this end. Saying that the establishment of a firm and lasting peace is a difficult task that is beyond the powers of any one man, Roso stressed his conviction that this could be done through joint efforts.

## 'Thousands' of Projectiles Land on Gorazde

*AU3003085594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 30 Mar 94*

[Report by Fahrudin Becic from Gorazde]

[Text] The defenders of Gorazde are fighting the most decisive battle since the beginning of the aggression. [Words indistinct] tens of thousands of the most destructible projectiles are landing on all parts of the free territory and on our positions, villages, and town streets. There was not a single quiet moment last night or this morning. Immediately after midnight, after unprecedented artillery preparations, exceptionally strong infantry attacks were launched in several locations. They were repelled, but strong Chetnik forces are attacking again.

Heavy combat is currently taking place in the Praca valley, near the village of Zemegresi. The ground is trembling on the entire right bank of the Drina River. The situation is the same in the [names indistinct] regions.

According to the latest reports, the fresh Chetnik troops and the regular army of the so-called Yugoslavia are stationed somewhere between Uzice and Visegrad and Pljevlja and Cajnice. Strong Chetnik formations have arrived in the Foca region from the Herzegovina Corps.

There are some 500 artillery pieces pointing toward Gorazde. Mighty armored-mechanized forces are moving toward the town, but the defenders are making up for the lack of hardware with unprecedented courage. Around 0900 [700 GMT], the enemy stepped up its infantry attacks. There are dead and wounded on both sides. There are [words indistinct].

UN military observers were also surprised by the ferocity of the attacks. The residents of Gorazde and all others that are here are again surprised by the passivity of the world community. NATO aircraft have not been flying over Gorazde, which is a protected zone, for days.

This is Fahrudin Becic reporting from Gorazde.

## Serbian-Muslim Trade Along Front Lines

*94BA0218A Belgrade NIN in Serbo-Croatian 4 Mar 94 pp 32-33*

[Article by Branko Peric: "Mark Brothers"]

[Text] The top government leadership of the Srpska republic was alarmed in early January by the emergence of a special form of war profiteering: large-scale trade with the enemy. Data of the security services indicated that prohibited trade had been taking place for quite some time at 26 points along the "lines of contact," mainly with the Muslim army. Military experts estimated that this phenomenon is a "form of planned special warfare" and that it could seriously threaten the country's defense capability.

On 18 January 1994, the president of the state formed a state commission headed by Major General Bogdan Subotic to interdict this phenomenon "by all available means." The chairman of the state commission has formed a staff of the best-known experts from Public Security and Military Security, inspectorates, and judicial bodies, and he chose for the operation known as "Border 94" Teslic Opstina, in which the border with the Muslim army is about 120 km long, and where trade with the enemy has assumed "disturbing proportions."

The knowledge gained by the state commission has astonished everyone. In Vucja Planina an open-air market where several hundred people gathered has "operated" daily right alongside the trenches. Serbian and Muslim soldiers, Serbian and Muslim civilians, were buying and selling. Everything was being sold, just like at the ordinary open-air market. The Serbs even hauled goods to the Muslim trenches in trucks. The Muslims were being sold artillery shells and even mortars. The Serbs in Teslic who live in daily fear of shelling, who have come to the town from the direction of Tesanj, cannot believe that the Serbian soldiers are selling those same shells to the Muslims.

### The Fund

During the operation, which lasted a month in Teslic, goods intended for prohibited trade were confiscated in the amount of 990,000 German marks [DM]. Cash derived from prohibited trade amounting to DM337,698, 42,870 Austrian schillings, 18,000 Swiss francs, and $3,250 was confiscated from individuals. Inspections by the inspectorate shut down 35 private firms and independent shops. Twenty-three legal entities inspected were found not to have paid state tax on time in the amount of DM3,403,427. With the interest accrued, the tax obligation of those debtors amounts to DM9,655,000. Criminal and misdemeanor charges were filed against 422 persons, and 49 persons were detained. Criminal charges were also filed against the opstina president, the former chairman of the Executive Committee, the chief of the public security station, and several enterprise managers.

The business being done by the wartime suppliers runs into millions of marks ending up in the pockets of individuals. Along the lengthy chain of middlemen, the earnings are beyond the dreams of ordinary mortals. DM250,000 were found buried in the vicinity of the house of someone living near the demarcation line on Vucja Planina.

Among the mysterious stories circulating in Teslic, the most interesting one is about the flight of two Muslim soldiers taken prisoner as they were carrying on trade along the line. These two prisoners disappeared one night from the detention facilities of the military police in Teslic, and the manner of their escape and who is to blame for it has not been ascertained to this day. There is suspicion that they were released so that they would not expose those with whom they were trading or that they themselves were traded in a good bit of business.

The state commission obtained much more important knowledge in its study of the operation of opstina authorities and commercial firms. It was found that the opstina had its own fund of foreign exchange, referred to as the war fund, which by opstina decision was receiving the income tax on individuals working abroad in the amount of DM300 per month and DM50 for individuals working in republics of the former SFRY [Socialist Federal Republic of Yugoslavia]. According to the republic statute, this tax has been uniformly set for the entire republic at DM200 and is a revenue of the state itself.

Not only did the opstina authority not respect the republic statute, but it evaded all the rules of business finance in the way it handled the money collected. No decision was made on establishment of the fund, no rules were established on conducting its affairs, nor were management authorities elected.... The funds were handled by the opstina president, the chairman of the Executive Committee, the secretary of the Secretariat for the Economy, and the chief accountant: by word of mouth, in writing, over the telephone, however it suited them. Money was given to individuals, who signed a receipt that was thrown away when the money was repaid. DM5 million were spent from the "war fund" in slightly more than a year and a half.

### The List

The funds were used by government-owned and private commercial firms, institutions, government bodies, and individuals.... Individuals carried some of the foreign exchange in briefcases to Belgrade where they exchanged it in private currency exchanges at an exchange rate known only to themselves. The people and the government can only guess as to their honesty and integrity. It is sufficient to know that the merchants carried to Serbia hundreds of thousands of marks to buy flour, sugar, oil, and other goods, while at the same time inflation was rendering worthless the immense claims of the Teslic economy in Serbia. Anyone who risked suspicion knew why he did so.

An examination of the financial and accounting documents of commercial firms revealed all the shortcomings of current legislation and all the resourcefulness of dishonest merchants. Imported goods are accompanied by one set of documents to the border, another set from the border to the destination, and then it is all shredded. Bills of lading are even used made out to customers who have nothing at all to do with the goods ordered except being located in the same town. Thus, there are cases, according to the documentation, when the business of certain firms has increased slightly over the previous year, although everyone knows that trade has been flourishing. Given this way of doing business and taxes made worthless by inflation, it is clear how individuals have acquired immense wealth in a short time through trade.

While the state commission is writing up criminal charges and making a list of illegalities and irregularities committed in the presence and with the blessing of the authorities, the opstina committee of the SDS [Serbian Democratic Party] is writing up a list of enterprise managers and government officials who are not members of the party and on whose trustworthiness members of the SDS opstina committee are to take a position. Of the 32 enterprise directors and officials on the list, only eight are members of the party. The rest are to be removed, but it is not clear who will do this and how. One thing is certain: The new uniformity of thought is turning the proclaimed democracy into dictatorship, and all the rest is familiar territory.

**The Remedy**

Members of the staff of the operation "Border 94" in Teslic are concluding on the basis of that operation's results that the pattern in Teslic reflects that in the entire republic. For a well-meaning observer of local conditions, the logical conclusion cannot be avoided that the present chaotic situation is the result of the wrong policy by the wrong people. How otherwise to explain the fact that criminal charges have been filed against the most responsible individuals in the opstina government? How is one to explain the fact that opstina authorities have done nothing to thwart and prevent goods from reaching the front line?

Gen. Subotic declared war on criminals in a press conference which he held in the Culture Center in Banja Luka on 25 February, and that same evening on the program "Open Screen" over Banja Luka television. Viewers gave him credit and offered him support, but did not fail to ask him when he would get around to other cities and when the people would finally learn who the culprits were in the affair of the "Golfs."

The general was self-confident and made a public promise that the commission would take its work to the end and that the time would come ultimately when the culprits in the well-known scandal of the "Golfs" would be made public. It remains to be seen whether the general was caught by an embarrassing question or the time of truth has really come. Quite a few people are doubtful about the success of the general's campaign. By and large, the people have stood by the general, and his failure could signify defeat of a policy.

### Croats, Krajina Serbs Sign Cease-Fire Accord

*AU3003064494 Paris AFP in English 0439 GMT 30 Mar 94*

[Text] Zagreb, March 30 (AFP)—Croatia and rebel Krajina Serbs agreed on a ceasefire and withdrawal of forces early Wednesday [30 March], an official statement said. The ceasefire would come into effect April 4, and withdrawal of forces would begin the following day, it said. Heavy weapons would be pulled back up to 20 kilometres (12 miles) and infantry 1,000 metres on each side.

The statement was issued after a ceasefire accord was signed at the end of negotiations that began Tuesday [29 March] in the Russian Embassy here and lasted most of the night. "The parties signing this document agree that all armed hostilities between the parties should end immediately, and that a ceasefire on all contact lines existing between the parties on 29 March 1994 (...) should be fully respected from 0900 hours 4 April 1994," it said. "Not later than 0900 hours 5 April 1994, all indirect fire weapons shall be deployed out of range of the Lines of Separation: mortars and AA-guns not less than 10 kilometres, artillery and tanks not less than 20 kilometres. Not later than 0900 hours on 8 April 1994, all units on the Contact Line shall be separated. The separation will be based on a mutual withdrawal not less than 1,000 metres from the Contact Line to their respective line of separation."

The ceasefire will be monitored by the United Nations Protection Force for the former Yugoslavia (UNPROFOR) and the European Union Monitoring Commission, the statement added. The talks, brokered by Russian envoy Vitaliy Churkin, had resumed here Tuesday after a week-long break. The first since the conflict erupted two years ago, they had broken off on March 22 after failing to reach an agreement. The negotiations were aimed solely at forging a ceasefire between the two sides, the Croatian government and the rebel Serbs who have proclaimed a separatist republic, the Serb republic of Krajina (RSK), on roughly a quarter of Croatian territory. The spokesman for the international conference on the former Yugoslavia, John Mills, said earlier the negotiators, armed with 35 detailed maps, were working out sector by sector how to pull back their forces from the front lines. They were assisted by senior officers of UNPROFOR, which intends to send buffer units into the resulting no man's land two kilometres (2,000 yards) across.

### UN Troops To Be Deployed

*LD3003080394 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 30 Mar 94*

[Text] The signing of a cease-fire agreement in the Russian Embassy in Zagreb has brought to an end the negotiations between the delegations of the Republic of Croatia and rebel Serbs in the occupied areas of Croatia. The agreement was signed early this morning after 18 hours of talks by, on behalf of the Croatian delegation, Hrvoje Sarinic, and, on behalf of the representatives of the Serbs, Dusan Rakic. The agreement was also signed by the representatives of the international conference on the former Yugoslavia, who also chaired the negotiations—ambassadors Geert Ahrens and Kai Eide, as well as UNPROFOR [UN Protection Forces] commander General Bertrand de Lapresle. The agreement envisages the immediate cessation of hostilities between the two sides and that the cease-fire along the front lines will begin on 4 April.

Thirty-five individual maps on the separation of the warring sides were signed, and it was also agreed that by 8 April at the latest they would withdraw one km from the front lines. UNPROFOR units will then be deployed between the warring sides. Hrvoje Sarinic assessed the talks as very successful and stressed that the agreement is not an end in itself but only the first step toward the normalization of relations throughout the territory of Croatia, which will follow the resolution of economic problems and also a final political solution.

### RSK Official Views Agreement

*AU3003110094 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 30 Mar 94*

[Interview with Slobodan Jarcevic, foreign minister of the Serbian republic of Krajina, by Dragoslav Kosaric in Zagreb on 30 March—recorded]

[Text] [Jarcevic] The essence of the agreement is a cease-fire, the end of hostilities, and a guarantee by the international community and the two superpowers that hostilities will not break out again because the UN Protection Forces [UNPROFOR] will step between the two armies in the so-called buffer zone.

What is the most important thing that perhaps could not be heard at the news conference is that the police of both sides will enter these buffer zones, depending on the side to which settlements belong. The territories held by one and the other side remain completely intact.

[Kosaric] What about the deadline for the implementation of this agreement?

[Jarcevic] The deadline for the realization of this agreement is eight days, including the withdrawal of both sides and the police remaining in the buffer zone.

[Kosaric] What about UNPROFOR, when will it be deployed?

[Jarcevic] UNPROFOR will be deployed within 10 days. It will, for example, issue documents to the policemen who will be in the buffer zone. In this way only those who will obtain special UNPROFOR badges will be allowed to serve. UNPROFOR will control both sides, and this is perhaps a novelty of this agreement, as all earlier plans did not envisage control of the arms of the Republic of Croatia. Now they will be controlled, too, and positioned 20 km away from the border. In places where the Croats do not have a border, like toward the Adriatic Sea, they

will be more tightly concentrated closer, but it will be also allowed that, in the areas were there is no 20 km distance, for example in eastern Slavonia, Srem, and Baranja, the Serbian Army concentrates more tightly.

[Kosaric] This, therefore, means that heavy arms must be at a distance of 20 km from the front.

[Jarcevic] Yes, with the exception of those emplaced for which we have agreed that they will remain.

[Kosaric] Is there anything else that is specific in this agreement?

[Jarcevic] There is nothing specific with the exception of that we announced the talks about communications, the economy, trade, and the normalization of all relations. Only after this phase can we discuss issues of political weight.

[Kosaric] Is the date of this meeting already known?

[Jarcevic] Well, we said, in roughly two weeks.

### RSK Negotiator Comments

*LD3003121994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1041 GMT 30 Mar 94*

[Text] Knin, 30 Mar (TANJUG)—The cease-fire agreement signed early this morning in Zagreb between the Republic of Croatia and the republic of Serb Krajina [RSK] is a big success and it should now be respected and fully implemented, Rear Admiral Dusan Rakic, the head of the Krajina delegation in these negotiations and [RSK] defense minister, told a news conference in Knin. The agreement comes into effect on 4 April and the withdrawal of the forces of the warring sides begins on 7 April. Hence, UN Protection Forces [UNPROFOR], which will now have full inspection rights and freedom of movement, will be able to move into the cordon sanitaire created in this way. The agreement stipulates that heavy weaponry will be withdrawn 20 km from the current front lines. Thus, for example, the heavy weapons of the Croatian forces will be located in Sibenik and Stari Grad and perhaps in some other place, while Serb heavy weapons will be located in Gracac, Beli Manastir, and other places.

Admiral Rakic stressed that the talks were very difficult because both sides had to relax their demands and give up some pieces of territory in order to reach agreement. In this way, it was said, the Peruca hydroelectric power station, Miljevacki Plato, part of Maslenica, and Zemunik airport will remain under the control of Croatian forces, while Skabrnja near Zadar was returned to the Croatians.

By way of compensation, the RSK has recovered the Ravni Kotari villages of Islam Grcki, Smokovic, and Kasic, and Croatian forces are also to withdraw from part of Velebit, which is exceptionally important in view of the position of Obrovac and the return of people and life to this town on Zrmanja. Teslingrad and Jasenovac, the status of which the Serb side did not wish to discuss, have remained on the Serb side. The [two] police forces, assisted by UNPROFOR inspection teams, will enter the cordon sanitaire—in which some Croatian as well as Serb villages remain—once the armed forces of both sides have withdrawn from this area.

In the opinion of Assistant [RSK] Interior Minister Aleksandar Draca, a member of the RSK delegation, the agreement means the end of the war and the beginning of peace, and the very important return of the occupied Ravni Kotari villages to Krajina. The cease-fire agreement makes possible the continuation of the negotiating process on mutual cooperation and the resolution of many crucial problems in the field of infrastructure, transportation, communications, and other questions of mutual interest to Croatia and Krajina. The talks on this so-called economic and humanitarian basket will probably begin in about two weeks. It is only when these by no means easy problems have been resolved that the negotiations should enter their third, final, and most difficult phase—the resolution of political relations between the RSK and Croatia.

### Further on Agreement

*LD3003072594 Belgrade TANJUG Domestic Service in Serbo-Croatian 0445 GMT 30 Mar 94*

[Excerpt] Zagreb, 30 Mar (TANJUG)—Representatives of the Republic of Croatia and the republic of Serb Krajina [RSK] signed a cease-fire agreement in Zagreb early this morning. The agreement will come into effect on 4 April. The signing of the agreement was attended by special Russian envoy Vitaliy Churkin and by Charles Redman, the special envoy of the U.S. President. The cease-fire agreement was signed after 18 hours of difficult negotiations which became bogged down last night over agreement on the lines of the separation of forces on military maps. [passage omitted]

## Granic Discusses Issues With Redman

*LD2903152394 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 29 Mar 94*

[Text] Mate Granic, Croatian deputy prime minister and minister of foreign affairs, today received the U.S. President's special envoy Charles Redman. Minister Granic and Ambassador Redman had talks about the Bosnia-Herzegovina Assembly session and positively assessed developments in the field. They also spoke about specific moves in connection with the implementation of the Washington agreement and the possibility of the Serb side joining the future federation. They stressed it is very important to maintain the current pace of negotiations.

## Tudjman Discusses Policy With U.S. Journalists

*LD2903230494 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 29 Mar 94*

[Text] Croatian President Franjo Tudjman granted an interview in the Presidential Palace in Zagreb this

evening to a group of U.S. journalists from the newspapers TIME, the LOS ANGELES TIMES, and THE CHICAGO SUN-TIMES in which he spoke about the Washington agreement, the policy pursued by the Croatian leadership aimed at reintegrating UN protected areas [UNPA] into the constitutional and legal system of the Republic of Croatia in a peaceful way, normalization of relations between Croatia and Serbia, and the new UNPROFOR [UN Protection Forces] mandate in the Republic of Croatia.

The resolution that the UN Security Council is about to adopt will emphasize the political standpoint about the recognition of borders of the Republic of Croatia and Croatia's territorial integrity. The resolution will extend the UNPROFOR mandate by six months, not by 12 months as proposed by UN Secretary General Butrus-Ghali. According to the resolution, UNPROFOR will have the right to seek air support if prevented in the implementation of its tasks, President Tudjman said in reply to the question of what Croatia expects from the new UN Security Council resolution.

President Tudjman then went on to say that in a political sense Croatia could be completely satisfied with the resolution, although, he added, the UNPROFOR mandate, due to the lack of funds and forces, was not as operational as Croatia would like it to be. President Tudjman stated that for its policy Croatia had guarantees by the United States and other international players. He informed the U.S. journalists that Croatia had requested from the United Nations and the Security Council that UNPROFOR control the borders between Croatia and Serbia and Serbia and Bosnia-Herzegovina in order to prevent the arming of the Serbs in Bosnia-Herzegovina and in the UNPA in Croatia. We also demanded the reopening of roads and the oil pipeline and the return of around 400,000 refugees to their homes.

Asked whether an agreement on a cease-fire and on the resolution of the issue of the Serbs living in the occupied areas in the Republic of Croatia would be reached in negotiations being held in the Russian Embassy in Zagreb, President Tudjman, laying an emphasis on the current international situation, said that the Serbs from Knin, under the current international circumstances, would agree with the peaceful solution. If they failed to accept that, Croatia would then, in line with UN resolutions, be able to resort to other means and in that it would enjoy the support of international factors. I hold that we shall be able to reintegrate these areas into the constitutional and legal system of the Republic of Croatia in a peaceful way, the Croatian president stressed.

President Tudjman said that the problem of the UNPA's was the main precondition for the normalization. He said that relations could not be normalized as long as Serbia maintained its occupation of Croatian areas. Tudjman stressed that despite the fact that the Serbian and Yugoslav Governments, under international pressure, accepted that the time was ripe for the normalization of relations, resolute political moves were lacking and extreme Serb war-mongers were still active.

After this, President Tudjman replied to questions in connection with the solution of the crisis in Bosnia. Asked if a possible confederation between Bosnian Serbs and Yugoslavia could be linked with the solution for the UNPA's, President Tudjman said that these issues could not be linked as Serbs were one of the three constituent nations in Bosnia-Herzegovina, and Serbs in Croatia were a national minority that do not have a right to self-determination in accordance with international standards. President Tudjman said that the UNPAs have always been an integral part of the Republic of Croatia.

In reply to a question about Croatia's policy towards Bosnia-Herzegovina, President Tudjman repeated Croatian positions to the U.S. journalists. These positions were first demonstrated by Bosnian Croat votes at the referendum on an independent Bosnia-Herzegovina, then by the support for a proposal to divide Bosnia-Herzegovina into provinces, and it should also be stressed that Croatia was the first state to have recognized the independent Bosnia-Herzegovina. Croatia's policy has always taken into account the overall interests of the Croat nation in Bosnia-Herzegovina, President Tudjman said and stressed that the Washington agreement would not have been possible if the Croat republic of Herceg-Bosna that protected the interests of Croats in Bosnia-Herzegovina had not existed.

## Federal

### Russian Delegation Proposes Alliance

*LD2903205094 Belgrade TANJUG in English 2022 GMT 29 Mar 94*

[Text] Belgrade, March 29 (TANJUG)—Vice President of the State Duma (lower chamber of Russian parliament) and of the Liberal Democratic Party of Russia Aleksandr Vengerovskiy said in Belgrade on Tuesday that a military-political alliance should be formed between Russia and Yugoslavia, that Russia should return to the Balkans and that it supports those peace initiatives which really lead to peace in the territory of former Yugoslavia.

Summing up the impressions and conclusions of the several days long visit of the Russian parliamentary delegation, Vengerovskiy told a press conference that the sanctions against the Federal Republic of Yugoslavia are not necessary. If Europe does not understand this, we can do the same thing, already tomorrow Europe might be left without Russian gas, Vengerovskiy threatened.

Vengerovskiy told reporters that he had not had the chance to find out the official stand of Belgrade on the conclusions reached by the Russian delegation during their visit to Yugoslavia.

Official stands, he added, are interpreted through official statements by state organs. When we return to Moscow, we shall make a list of proposals, on the basis of what our impressions, for further actions which will be assessed not only here but also in New York, Vengerovski said in the familiar style of the controversial leaders of this Russian party, Vladimir Zhirinovskiy.

The Russian delegation arrived in Yugoslavia last week at the invitation of the extra-parliamentrary rightist party, the Serbian National Renewal Party.

Member of the Committee for Security and Defence, independent deputy Yevgeniy Fedorov said that serious changes had taken place in the Russian Army now, which voted for the Liberal-Democratic Party practically 100 percent at the last elections. In spirit the army is ready for changes in the country's foreign policy, he said, and for military cooperation with Yugoslavia.

Deputy President of the Liberal-Democratic Party of Russia Valentin Minakhov assessed that the U.N. Protection Force (UNPROFOR) in former Yugoslavia were there only for appearances' sake and were protecting the interests of only one side. Minakhov announced that they would raise the question of the deployment of Russian troops in Prevlaka, a controversial peninsula on the border between the Federal Republic of Yugoslavia and Croatia where UNPROFOR are deployed, because the U.N. peace-keepers did not permit the Russian parliamentarians to visit Prevlaka.

Minakhov also announced that Zhirinovskiy would visit Belgrade again in mid-May this year. Serbian National Renewal Leader Mirko Jovic, who is host to the Russian delegation, said that the main objective of the visit and cooperation with Russian parties was to renew old friendships and the military alliance with Russia.

### President Lilic Meets With Libyan Envoy

*LD2903162894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1216 GMT 29 Mar 94*

[Text] Belgrade, 29 March (TANJUG)—Federal Republic of Yugoslavia President Zoran Lilic today received special Libyan envoy 'Ali 'Abd-al-Salam al-Turyaki, who handed him a message from Libyan leader Colonel Mu'ammar al-Qadhdhafi.

Their talks focused on the further improvement of the already successful and friendly cooperation between the two countries, both in the bilateral and international fields. They paid particular attention to some aspects of economic cooperation.

Speaking about the Bosnia-Herzegovina crisis, President Lilic expressed the hope that we are not far from peace, which he said was a condition for stability in the entire region. President Lilic stressed that the FRY [Federal Republic of Yugoslavia] has nothing against the Muslim-Croat federation, provided that it is not to the detriment of the Serb side; he also said there would be neither a solution nor peace in this former Yugoslav republic without an equitable agreement reached between all three sides and the observance of the right of each of the nations to self-determination.

As regards the FRY, it will continue to strive in a persistent, active, and constructive way toward reaching a permanent and just resolution of the crisis on the territory of former Yugoslavia, as it has done since the very outset of the crisis, President Lilic concluded.

### Discusses Conditions for Peace

*LD2903224794 Belgrade TANJUG in English 2228 GMT 29 Mar 94*

["Pool" item]

[Text] Belgrade, March 29 (TANJUG)—President of the Federal Republic of Yugoslavia Zoran Lilic said on Tuesday that this country had nothing against a Moslem-Croat Federation in civil war torn Bosnia-Herzegovina provided it was not detrimental to the third side, the Serbs.

During the talks with special Libyan envoy 'Ali 'Abd al-Salam al-Turyaki, who presented to Lilic a message from Libyan leader Mu'ammar al-Qadhdhafi, Lilic said that there would be no peace in Bosnia without agreement on an equal footing between all three warring sides and without respect of the rights of every nation to self-determination.

A war of local Serbs, Croat and Moslems has been raging in the former Yugoslav Republic of Bosnia-Herzegovina

for almost two years. Croats and Moslems signed an agreement on a federation in mid-March under U.S. pressure. The question of the Serbs joining the federation has remained open, but representatives of this people on several occasions pointed out that the recognition of the right to self-determination of Moslems and Croats meant that Serbs had the same right as well. The Serbs in Bosnia-Herzegovina have proclaimed their own state which covers round 70 percent of the territory of this former Yugoslav republic.

Lilic expressed hope that peace in Bosnia was not far, saying it was a precondition for stability in the entire region. The better part of the talks between the Yugoslav president and the Libyan envoy was devoted to the promotion of the already successful bilateral cooperation, especially in the area of economics. The Libyan envoy was also received today by Yugoslav Minister for Foreign Trade Relations Milorad Unkovic. Al-Turyaki expressed Libya's readiness to send humanitarian aid to Yugoslavia through Red Cross organizations. He said that this was a symbolic act with which Libya wished to show good will and understanding for its old friend—Yugoslavia.

## TANJUG Examines Redman-Churkin Talks

*LD2903152594 Belgrade TANJUG in English 1405 GMT 29 Mar 94*

["Pool" item]

[Text] Belgrade, March 29 (TANJUG)—The situation in Bosnia-Herzegovina has again become confusing as the local Moslem-Croat Federation is on the U.S. tracks, while the Bosnian Serbs renounce the "project" remaining on the sidelines, although it is a common belief that, without them, there can be no peace in Bosnia-Herzegovina.

The fresh round of talks will include the Bosnian Serbs, whose absence makes the peace "impossible". This round of diplomatic action, as is announced in Washington, aims not only to bring the Serbs to the negotiating table, but also to find something they and the Moslem-Croat Federation could reach an agreement on. Two things are crucial to this: First, to reach an agreement on relations between the Moslem-Croat Federation and the Bosnian Serb republic, and, secondly, to resolve territorial demarcation issues between the federation and the Bosnian Serb republic.

Although the Serbs refused to join the Moslem-Croat Federation, they do not rule out the possibility of establishing a trilateral union in Bosnia-Herzegovina, a feasible solution, especially if confederal relations with countries outside Bosnia-Herzegovina are not insisted upon.

The territorial demarcation issue is the most difficult, but it could also be solved. The problem had nearly been resolved in Geneva and Brussels, when the differences have been reduced to only a few percentages.

Now that the Moslem-Croat Federation package has been tied, U.S. presidential envoy Charles Redman announces a return to Geneva, speaking to that effect about the former demarcation lines. It was, in fact, a deal offering 33.3 per cent of the territory to the Moslems, 17.5 per cent to the Croats and about 50 per cent to the Serbs. The deal broke down at the last minute after Bosnian Moslem leader Alija Izetbegovic rejected it under the pretext of being dissatisfied with the quality of the territories.

The "Geneva idea" is now back in circulation and, all things considered, the U.S. and Russian presidential envoys, Charles Redman and Vitaliy Churkin, will take it as a starting point of a fresh round of the talks.

In the meantime, talks between Croatia and the republic of Serb Krajina officials resume, Yugoslav and Croatian bureaus have opened in Belgrade and Zagreb and a question of "a phased economic restoration in the entire territory of the former Yugoslavia" has been raised at a meeting of the working group in charge of economic issues within the Geneva conference on the former Yugoslavia.

No matter how utopian any of these issues might sound, a peace option is mostly being considered and supported. The major foothold is that the Americans and the Russians are so deeply involved in Bosnia-Herzegovina that they would not let it slip away so easily. They would otherwise lose face, which would be a greater disgrace than the one the European Union had experienced there.